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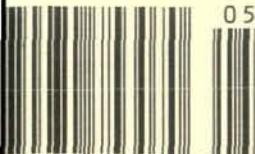
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# Current History

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# Current History

MAY, 1990

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*In 1990, the winds of change began to yield results in sub-Saharan Africa, and the changing relationship between the United States and the Soviet Union called for a fresh strategic evaluation. As our introductory article explains, ". . . before full recovery can occur in southern black Africa, American and Soviet policymakers must place national unification in Angola and Mozambique among their higher priorities and must seize the opportunity to engage in a mutual arms cutoff."*

## United States Policy in Southern Africa

BY RICHARD W. HULL

*Associate Professor of African History, New York University*

**T**HE challenge, need and opportunity for a fundamental revision of United States policy in black-ruled southern Africa has not been greater since the end of World War II. Perestroika and the political turmoil in the Soviet Union, and the collapse of Communist regimes everywhere in East Europe have undermined the rationale for casting foreign policy in a cold war context.

For the first time in memory, there may be East-West cooperation in reducing tensions in southern Africa. Soviet President Mikhail Gorbachev has made it clear that the Soviet Union no longer views the region as an arena for confrontation. In June, 1989, the superpowers hosted talks on regional world issues in Rome. The new United States assistant secretary of state for African affairs, Herman J. Cohen, had an unprecedentedly cordial and frank conversation with Soviet Deputy Foreign Minister Anatoly Adamishin. Distracted by severe problems at home, the Soviet diplomats assured the Americans that they had no hostile aims in southern Africa. Gorbachev had already made it known that the Soviet Union's friends in Africa would have to look beyond the Soviet Union and Comecon (Council for Mutual Economic Assistance) and Warsaw Pact nations for additional military and economic aid.<sup>1</sup>

For Mozambique, the rhetoric became reality in June, when Soviet leaders announced their intended withdrawal of all military advisers by the end of 1990, along with substantial reductions in

<sup>1</sup>African Recorder (Bombay), July 2-15, 1989.

military materiel. Then, in the last quarter of 1989, Angola faced the prospect of the departure of Cuban troops, and Zimbabwe found itself abandoned by its Communist supporters in Romania, Yugoslavia, East Germany and Bulgaria.

The Marxist regimes, parties and movements, reeling from the sudden loss of their historic East European allies, prepared to turn more completely to the West, particularly to the United States and to United States-controlled multilateral donors like the World Bank and the International Monetary Fund (IMF). At home, African leaders had to contend with their fragile, debt-ridden economies, weakened by civil war, and with their malnourished populations, disillusioned by more than a decade of socialist rhetoric.

Faced with the threat of domestic political and social upheaval, many of the countries of southern Africa had to capitulate to prescriptions for economic recovery concocted by Western capitalist creditors. In 1989, nominally Marxist Angola and Mozambique joined the World Bank and the IMF and prepared to swallow their Structural Adjustment Programs. Angola redoubled its lobbying efforts in Washington in its quest for diplomatic recognition and increased trade and investment.

Not since independence had the socialist countries of black-ruled southern Africa embarked on such an aggressive and fundamental restructuring of their economic and investment policies. The process of economic decentralization moved into high gear nearly everywhere. Trade policies were liberalized; investment codes were rewritten to encour-

age Western participation; and subsidies were reluctantly removed on some key consumer staples. The reforms breathed new life into the beleaguered bourgeoisie; but attendant inflation rendered the poor poorer still.

The United States has not been confronted by such an opportunity to assist southern Africa in its search for self-sustaining market-driven development since 1945. At the same time, a vacuum had been created in southern Africa by the East European bloc, which was distracted by domestic political upheaval, and by the former colonial powers, who were preoccupied with the heady prospect of a flourishing European Community (EC) by 1992. Drifting in this void, Africans felt abandoned and marginalized in their moment of great need. Where would fresh infusions of capital come from for the foreign exchange they needed to expand their trade and restart their stalled economies? Never before had southern Africa's poorest countries been so willing to bite the Western bullet and to abandon their once-cherished ideologies for painfully pragmatic reform.

In this dramatically changed context, the old clarion calls in Washington for a southern Africa policy aimed at containing communism and safeguarding strategic mineral interests acquired a strangely hollow ring. At first, the United States was apparently caught off guard by the rapid demise of the cold war. Then United States policy-makers recognized that the time was perhaps ripe for a new thrust toward peacefully negotiated settlements and for a closer alignment with the economic goals of the frontline states. United States policy would no longer give top priority to South Africa's regional security interests.<sup>2</sup> The administration of President Ronald Reagan launched an "Economic Initiative for Southern Africa" that heralded a more regional orientation.

Just when the policy of "Constructive Engagement" seemed to have lost momentum and had begun to unravel in South Africa, events north of the Limpopo river and beyond Africa provided new opportunities for Assistant Secretary of State Chester Crocker and his successor, Herman Cohen. As President George Bush's administration moved through its first hundred days, Zambia's President Kenneth Kaunda exhorted the United States to reestablish its policies in southern Africa on "human principles."<sup>3</sup> President Joaquim Chissano in Mozambique stepped up his appeal for humanitarian and development assistance for the millions of Mozambicans uprooted by civil war, drought and famine. And President Robert Mugabe of Zimbabwe renewed his call for more

American support for the Southern Africa Development Coordination Conference (SADCC), the nine-nation economic group founded a decade earlier to harmonize national development plans and reduce the region's economic dependence on South Africa.

While the Bush administration responded hesitantly to these overtures, it prodded the SADCC countries to engage more vigorously in market-oriented economic reforms as defined by the World Bank, the IMF and their various agencies. On the other hand (South Africa aside), American diplomats made only faint demands for commensurate political reforms or for a kind of African glasnost to go along with perestroika. Despite its enormous economic leverage, the Bush administration did not break from the reluctance of its predecessor to criticize the persistent human and civil rights abuses of Presidents Kamuzu Banda in Malawi and Mobutu Sese Seko in Zaire. Nor was much said about the suppression of dissent in Zimbabwe and Lesotho.

Most fascinating, for the first time, a publicly acknowledged convergence and consensus of policy objectives emerged between the United States and the Soviet Union. Both countries pledged to work toward a peacefully negotiated end to the civil wars, toward a United Nations-supervised transition to independence in Namibia, and toward a market-oriented reform of national economies. For African leaders, there was a big question: if East-West rivalry in southern Africa disappeared, would the superpowers redirect their energies and capital toward purely humanitarian and development objectives or, once the old game ended, would they withdraw and put the region on the diplomatic backburner? In short, would southern Africa become a victim of benign neglect?

## BILATERAL RELATIONSHIPS

Following the lead of Great Britain and the Scandinavian countries, the United States quietly and modestly increased its commitment to regional economic integration north of the Limpopo river. Over the last three years, the United States has become increasingly willing to fund infrastructural projects, especially transportation, identified as priorities by SADCC, the body entrusted with guiding the economic development of black-ruled southern Africa. Nevertheless, the United States did not abandon its preference for funding regional projects bilaterally. Zambia, the sick man of southern Africa, became a country of special concern and involvement. Not only mineral-rich, Zambia is a terminus for rail routes converging from Angola via Zaire, from South Africa and Mozambique via Zimbabwe, and from Tanzania.

<sup>2</sup>Washington Report on Africa, June 15, 1989.

<sup>3</sup>African Recorder, June 18-July 1, 1989.

In 1989, the United States provided the Tanzania-Zambia (Tazara) Railway Authority with spare parts worth \$1.4 million under a five-year assistance program signed in 1987.<sup>4</sup> At the same time, the Americans prepared to deliver to Zambia 17 diesel locomotives, financed by a \$46-million Agency for International Development (AID) grant.<sup>5</sup> Agreement was also reached on a \$16-million grant to finance rehabilitation of the 40-mile Kafue-Lusaka highway and the vital Kafue railway bridge. In aviation, the United States helped the McDonnell Douglas Corporation to negotiate the sale of a new fleet of aircraft to Zambia Airways, a parastatal that, since Pan American World Airways's departure from Johannesburg in 1985, has provided the only scheduled direct service between southern Africa and the United States.<sup>6</sup>

United States assistance to the region received an additional boost in late 1988 after the decision to resume aid to Zimbabwe. A 3-year, \$17-million package was put together, aimed mainly at assisting local businesses to secure foreign exchange to purchase American goods.<sup>7</sup> Relations with President Mugabe, an avowed Marxist, have been strained since independence in 1980, and nearly all economic assistance to Zimbabwe was terminated in 1986 after a diplomatic altercation. Economic assistance was restored in 1989, largely through efforts of the United States-based Union Carbide Corporation, a mining conglomerate with considerable fixed assets in Zimbabwe.<sup>8</sup> The rapprochement may have been hastened by Mugabe's pledge not to impose a one-party system or to expropriate private property and by his willingness to engage in a sweeping liberalization program designed to encourage foreign private investment.

A more liberal investment code was unveiled in May, 1989, together with a one-stop investment center to reduce red tape. One month earlier, Mugabe announced Zimbabwe's plan to join the World Bank's Multilateral Investment Guarantee Agency.<sup>9</sup> On the political front, he peacefully ended the civil war in his country and brought his long-time opponent, Joshua Nkomo, into the Cabinet as a Vice President. Mugabe's growing intolerance of

extra-parliamentary opposition, however, was largely overlooked.<sup>10</sup>

In contrast, United States relations with neighboring Botswana have been cordial. Accordingly, Washington has expanded its bilateral aid, including military equipment. Botswana hosts the largest contingent of Peace Corps volunteers in Africa. Americans have always regarded this diamond-rich, landlocked country as a multiracial civilian democracy enjoying a high degree of political stability in a turbulent region. National elections in October, 1989, were interpreted as an overwhelming victory for the ruling Botswana Democratic party led by President Quett Masire.<sup>11</sup>

The Americans have good reason to support Botswana. It sits directly above turbulent South Africa, only hours from the vital industrial heartland of the Transvaal. It boasts a world-class jetport able to handle any type of military aircraft. Not surprisingly, it has recently become a key listening and transmitting post in southern Africa, the equivalent of the Voice of America facility for West Africa in Liberia. A new embassy was opened in September, 1989, and houses a high-tech communications complex able to receive direct television transmission from the United States.<sup>12</sup>

Ties with Swaziland and its king, Mswati III, have also been strengthened over the last few years. The United States is the landlocked country's principal donor, a position it assumed from the British in 1982. The Bush administration just completed a ten-year assistance package in support of agricultural research and extension with a final \$1.2-million grant agreement.<sup>13</sup> But the most interesting item in 1989 was an AID grant of \$100,000 for faculty exchanges between the University of Swaziland and the agricultural college of Ohio State University.<sup>14</sup>

Also committed was \$6.1 million in aid for the fiscal year ending in September, 1990, coming on top of \$6.5 million a year earlier. An additional \$100,000 was earmarked for the Swazi military, under the United States International Military Education Training Program. Washington rationalized such military assistance as contributing to the defense of Swaziland and Botswana against destabilizing South African incursions.

To a greater extent, United States policymakers are divided over the direction of relations with the Kingdom of Lesotho. The fragile military-civilian diarchy between King Moshoeshoe II and the mercurial Major General Justin Lekhanya has failed to assuage political uncertainties. Moreover, the suppression of popular discontent and deep divisions within Lesotho's Military Council have prevented the landlocked, desperately poor country from moving toward democracy.

<sup>4</sup>*African Business* (London), July, 1989.

<sup>5</sup>*Africa Economic Digest* (London), August 28, 1989.

<sup>6</sup>Ibid., March 6, 1989.

<sup>7</sup>*Washington Report on Africa*, September 15, 1988.

<sup>8</sup>*Africa Analysis* (London), March 3, 1989.

<sup>9</sup>*Africa Economic Digest*, April 24, 1989.

<sup>10</sup>*African Business*, July, 1989.

<sup>11</sup>Economist Intelligence Unit (EIU), *Botswana Country Report*, no. 4, 1989.

<sup>12</sup>Ibid.

<sup>13</sup>EIU, *Swaziland Country Report*, no. 2, 1989.

<sup>14</sup>*Ohio State University Center for African Studies Newsletter*, vol. 1, no. 1, 1989.

## DETENTE WITH MOZAMBIQUE

In 1989, United States Assistant Secretary Cohen launched a new initiative toward ending the destructive civil war in Mozambique by pressuring Pretoria for full compliance with the 1984 Nkomati Accord. This agreement had committed South Africa to terminating its support of the Resistência Nacional Moçambicana, also known as Renamo. Renamo is an anti-government rebel movement that has wreaked havoc on the Mozambican countryside and economy for more than a decade. Although South African President F.W. de Klerk's regime asserts it has stopped supporting the movement, supplies from South Africa continue to reach the rebels. The United States State Department's task is complicated by Renamo supporters among die-hard conservative United States congressmen at home and elements in the United States Central Intelligence Agency (CIA), the Defense Department and the National Security Agency who hold tenaciously to the outworn cold war view that the movement is an instrument for overthrowing the nominally Marxist government in Mozambique.

During 1989, United States Ambassador Melissa Wells lobbied effectively for policy shifts in Washington. In a major departure, the United States agreed to give bilateral development assistance to Mozambique. Previously, most public aid was funnelled through American nongovernmental organizations (NGO's). The civil war has displaced more than 1.5 million people; and in 1989 alone, the United States dispatched more than \$8 million in food. Significantly, in 1989 the United States began to go beyond emergency assistance to victims of Renamo, drought and famine by funding programs for rehabilitation and development. Supplies arrived not only for war-traumatized children but for improvements in transportation and agriculture.<sup>15</sup> Indeed, by year's end, Mozambique had become the largest recipient of United States aid in sub-Saharan Africa, with about \$102 million in assistance.<sup>16</sup> Sensitive to conservative forces at home, the Bush administration continued to deny military support to Mozambique. Nevertheless, the covert flow, begun in 1988, continued.

Ambassador Wells was less successful in stimulating private American investment and trade. Congress refused to lift the ban on Export-Import Bank credit to potential investors, arguing that Mozambique is a Marxist state, at least in name. This has not deterred President Chissano from his quest

<sup>15</sup>See also the article on Angola in this issue.

<sup>16</sup>IEU, *Mozambique Country Report*, no. 3, 1989.

<sup>17</sup>*Africa Report*, March/April, 1989.

<sup>17</sup>*African Recorder*, November 6-19, 1989. The Clark Amendment, passed in 1976, was named for Dick Clark (D., Iowa).

for more Western support. At a donors' conference in New York in April, 1989, more than \$256 million was pledged. In 1989, the Mozambican economy showed faint signs of improvement, even though its external debt exceeded \$4 billion, 2.5 times its gross national product (GNP).

The core problem in Mozambique remains the civil war; it is the view of the Bush administration that economic recovery cannot be achieved until peace is restored. At the urging of South Africa and Mozambique, the United States hesitatingly agreed to play a more active role in the peace process. Pretoria and Maputo proposed four-party negotiations, involving the Soviet Union. Renamo refused, and demanded direct bilateral negotiations with the Mozambican government.

## ANGOLA: THE QUEST FOR PEACE

A peaceful settlement of the 15-year-old civil war in Angola also continued to elude American policymakers. Early 1989 brought new hope and momentum to the tortuous and extremely complicated negotiations. However, by year's end, the peace process had stalled again as the warring parties reassessed their positions in light of the turn of events in Namibia. The problem may have been compounded by the Organization of African Unity's (OAU's) decision, with American concurrence, to use Zaire's President Mobutu as mediator in the vicious conflict between the Angolan government and the rebel force, the Union for the Total Independence of Angola (UNITA), under Jonas Savimbi.<sup>†</sup>

Until recently, Savimbi was supplied primarily by the South Africans, who hoped to prevent Angola from serving as the base for SWAPO (the South West Africa People's Organization) forces seeking Namibian independence. Americans had other reasons for backing the rebeal leder. Under the leadership of Senator Jesse Helms (R., N.C.), the Conservative Caucus in the United States Congress viewed Savimbi and his UNITA movement as an instrument for overthrowing the Marxist Angolan government.

After the repeal of the Clark Amendment (which had barred aid to UNITA) in 1985, the volume of covert and other assistance to the rebel force increased dramatically; it exceeded \$40 million annually by 1989.<sup>17</sup> This increase was intended partly

(Continued on page 228)

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Richard W. Hull's most recent publication is *American Enterprise in South Africa: Historical Dimensions of Engagement and Disengagement* (New York: New York University Press, 1990). Hull is a senior analyst on Africa for Political Risk Services, based in London and Syracuse, New York.

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*"Whether South Africa's transition will lead, with a minimum of violence, to a multiparty nonracial democracy is unclear. At least that future appears possible. But the legacy of apartheid, the scars of violence and the polarization of society have left their mark."*

## South Africa on the Move

BY PAULINE H. BAKER

*Senior Associate, Carnegie Endowment for International Peace*

**J**UST as 1989 was a watershed year for East Europe, 1990 is a historic turning point for South Africa. The year marked a new international environment, a new regional situation and, most dramatically, a new initiative by South Africa's President Frederik W. de Klerk to break the country's racial impasse. From revolutionary upheaval and economic decline in the 1980's, South Africa seems poised—albeit delicately—on a threshold of change that will result in a totally different political dynamic in the 1990's.

"The old South Africa is burdened by inheritances from many sources of the past which are really blocks around our neck," said de Klerk. "We're getting rid of those blocks. . . . That is why things are so dynamic in South Africa."<sup>1</sup> De Klerk's remarks were made in a televised interview with ABC correspondent Ted Koppel, after the February 11 release of Nelson Mandela, the country's most respected black nationalist, who spent 27 years in prison.

The interview itself was an extraordinary event. Having been all but excluded because of tight censorship imposed during the four-year state of emergency, the international media flooded the country with a press corps of 2,000 to cover the Mandela story. All the major American television networks broadcast Mandela's historic walk to freedom, live from South Africa. Virtually overnight, the world's major pariah state was catapulted into the international spotlight, this time inspiring hope rather than despair.

By releasing Mandela from prison, de Klerk began to release whites from their self-inflicted international isolation. He first took some small steps to test the political waters. Within the first 100 days of taking office, he released eight political prisoners of Mandela's generation, seven of whom were leaders of the African National Congress (ANC) and one who belonged to the breakaway Pan-Africanist Congress (PAC), an organization that is more suspicious of the role of whites and of negotiations. He also permitted mass demonstrations to celebrate the

freedom of these leaders; he desegregated beaches; and he designated four undeveloped areas as mixed residential zones.

However, the most important action taken by the South African President to pave the way for Mandela's release was the dismantling of the state security management system. In effect, this was a secret parallel government built up by then-President P.W. Botha as part of the counterrevolutionary strategy the government adopted to confront black unrest. Hundreds of committees blanketed the country, from the State Security Council at the top to provincial and municipal councils at the bottom.

Dominated by the security and intelligence forces, this apparatus of control had multiple functions, including citizen surveillance, welfare distribution and the counter-organization of the black population to create an alternative leadership willing to cooperate with the state. With this machinery, the government grew more repressive than it had been in any other period in the country's history. Within the last five years, 5,000 people died because of political unrest and more than 30,000 were jailed without charge.

In addition, de Klerk shifted decision-making control back into civilian hands by cutting in half the two-year compulsory military service for whites, reducing the military budget, ending cross-border raids against neighboring states, and suspending military assistance to rebel groups in Mozambique and Angola. These measures reduced the power of the "securocrats," the political class of military, police and intelligence chiefs who, together with an inner circle of ministers and functionaries, were in charge of crushing the revolutionary uprising of 1984-1987.

These actions went a long way toward demilitarizing society, but the threat of right-wing violence and conservative opposition remains. Many white security officers, especially in the police, are supporters of the Conservative party (CP), the official parliamentary opposition that captured 30 percent of the white electorate, or approximately 680,000 votes, in the September, 1989, election. The CP ac-

<sup>1</sup>"ABC Nightline," interview with F.W. de Klerk, President of South Africa, February 13, 1990.

cuses de Klerk of treason and vows to rally 1 million whites in a campaign to stop him.

In addition, neo-Nazi groups, like the Afrikaner Weerstandsbeweging (AWB), the Afrikaner Resistance Movement, represent dangerous pockets of opposition. The AWB has a paramilitary wing, a youth brigade modeled on the German SS (Nazi elite police) and a fiery leader, Eugene Terre Blanche, a former police officer and an admirer of Adolf Hitler. Formed in 1973, the AWB has been shaken by recent scandals and infighting, spawning a splintering of the far right into a cluster of organizations that insist on a hard-line apartheid ideology. Another, possibly more serious, concern is the existence of extremists within the security forces. The army and the police have been implicated in charges of "death squads" that engage in political assassinations, prompting de Klerk to establish a special judicial commission to investigate the allegations.

Notwithstanding the intransigence of the right, de Klerk probably won more white support than he lost when he crossed the proverbial Rubicon. Clearly, he picked up supporters of the Democratic party; a newly formed alliance of liberal whites that captured over 20 percent of the electorate in the last election by campaigning on a one-person, one-vote platform. In fact, although most whites are anxious about the future, they were relieved at de Klerk's actions. Students and the business community welcomed the breakthrough, openly demonstrating their support and placing advertisements in newspapers to greet Mandela. (Only a few years ago, the chief executive of Barclays National Bank was publicly castigated by President Botha and subjected to a judicial inquiry for financing a newspaper advertisement that called for the very steps de Klerk is taking.)

On the day he was freed, thousands of ordinary whites lined the streets to cheer Mandela as he made his way to Cape Town, displaying an outpouring of emotion and support that amazed the black hero. Actually, many whites—perhaps even the majority—have been ahead of the government in wanting genuine reforms. De Klerk's actions thus represent a shrewd political calculation. He has shed the far right and has consolidated his political power among the rest of the white population, reducing the decade-long erosion of support in the ruling National party's electoral base.

The most dramatic political move de Klerk made before Mandela's historic walk to freedom, however, was taken on February 2, exactly one year to the day after the resignation of President Botha as head of the National party. In a speech at the opening of Parliament in Cape Town, de Klerk announced the legalization of the ANC and the PAC,

both of which had been banned for 30 years, and the South African Communist party (SACP), which had been banned for 40 years. Restrictions were also ended on 33 other anti-apartheid organizations operating within South Africa. In addition, de Klerk announced the release of many political prisoners, a selective relaxation of media censorship, the intended repeal of the Separate Amenities Act (which segregates public facilities) and the suspension of executions until new regulations make the death penalty more difficult to impose. Eight days later, the state President revealed at a news conference that Mandela would be released from prison unconditionally.

Although it was anticipated for months, Mandela's release rejuvenated the country's black population more than the legalization of the ANC and other proscribed organizations a week earlier. Mandela had achieved a stature of Olympian proportions. His calm self-confidence, regal bearing and principled defiance symbolized the irrepressible resistance of black people. His remarks during his first days of freedom were directed not to the world community, but to his people, his party and his country. Mandela restated his loyalty to the ANC, reiterated his belief in the philosophy of non-racialism, and reassured whites that he was sensitive to their concerns. He called de Klerk a "man of integrity." But he affirmed his intention to use all means possible, including the "armed struggle," to pursue full political rights for blacks.

## THE REACTION

Despite the euphoria of the moment, the hard reality was that apartheid remained in force, negotiations seemed a long way off and contentious issues were left unresolved. De Klerk reserved powers that ensured he would remain in control, triggering objections from the ANC. The ANC insisted on freedom for all political prisoners, including hundreds whom de Klerk refused to release because they had been convicted of violent crimes. The ANC also called for an end to the state of emergency, which permitted troops to remain in the black townships and gave the police extraordinary powers to contain dissent. And the ANC wanted to obtain guarantees of immunity from arrest for returning exiles, including members of the ANC's military wing. Despite these stumbling blocks, the ANC national executive committee decided at a meeting on February 16 at its exile headquarters in Lusaka, Zambia, to resume activities openly inside South Africa and to prepare for direct contacts with the government.

The international community applauded de Klerk for his bold decisions and praised the ANC for its willingness to respond to the challenge.

United States President George Bush invited de Klerk and Mandela separately to the White House. British Prime Minister Margaret Thatcher, an ardent opponent of sanctions, defied her European Community partners and unilaterally lifted the British voluntary ban on new investments. And foreign investors rushed to purchase South African stocks with renewed optimism about the future.<sup>2</sup>

In the week following the legalization of anti-apartheid organizations, \$400 million in new funds poured into the country. In the first two months of the year, in fact, foreign reserves increased by \$1 billion, a tantalizing foretaste of the payoffs that could come from a comprehensive political settlement. The market dipped after Mandela endorsed the nationalization of key sectors of the economy, but the rapid response of the private sector to fast-breaking developments and the generally positive reaction of foreign leaders buoyed hopes in spite of this volatility. "It is likely that every hiccup in talks between the ANC and Pretoria could move the market quickly in one direction or another," noted *The New York Times*.<sup>3</sup> But a director of one of South Africa's brokerage houses calmly observed that "everyone here thinks [Mandela] is doing no more than staking out his position from where he will negotiate."<sup>4</sup>

As difficult as it was for Pretoria and the ANC to have come this far, the hard part had only just begun. The government's initiative and the ANC's response were decisions made by caucuses within each political grouping. Apart from Mandela's contacts with the government during his internment, no negotiations had taken place, no elections had been held and no legislation had been enacted to institutionalize the process. The curtain is therefore going up on a new type of engagement that will pit two old antagonists in a wholly untested political arena. The ruling Nationalist party will be moving out of power while the ANC and other extraparliamentary groups, power brokers and anti-apartheid allies will be moving in.

The negotiations, if and when they take place, will be burdened by a deep legacy of distrust, divided constituencies, and a complex political tapestry that includes dedicated ideologues and militant rivals standing in the wings who claim to be the true torchbearers of African and Afrikaner nationalisms. For that reason, the process must be as inclusive and democratic as possible from the outset. As Thabo Mbeki, ANC secretary for international affairs, warned, "it must be stated plainly that no

South African can now be certain that negotiations, once they start, will succeed."<sup>5</sup>

## THE INTERNATIONAL ENVIRONMENT

The changes that took place in South Africa occurred against a backdrop of a radically changing world order. Mandela walked out of prison at the moment when the Communist party of the Soviet Union was deciding to permit a multiparty system and ownership of private property, steps that repudiated not only former Soviet leader Joseph Stalin, but Karl Marx and V.I. Lenin as well. Mandela went into jail at the height of the cold war; he came out as it was drawing to a close.

The ANC had been witness to decades of sweeping global changes, none of which had previously had much impact on the struggle inside South Africa. Formed in 1912, before other nationalist movements emerged in sub-Saharan Africa, the ANC saw the rise and fall of communism, the consolidation and collapse of colonialism, the success of the American civil rights movement, and the march to majority rule and independence of the rest of the African continent, including—in 1990—neighboring Namibia, Africa's last colony.

At the same time, South Africa is no longer the white citadel it used to be. Its military forces, though still strong, discovered in the 1980's that there were limits to its ability to achieve its objectives in the region and to suppress internal black dissent. The South African economy is dependent on international trade and foreign capital as never before. Sophisticated communications have undermined the work of censors, exposing whites and blacks to ideas that can no longer be kept out. And internal demographic and political trends are breaking down white enclaves of privilege. The walls of apartheid have been crumbling under the cumulative weight of these trends just as the walls of communism have been crumbling under similar pressures in East Europe.

Among the most interesting examples of the effect of world developments on South Africa are developments in the Eastern bloc. The rapid pace of change there has set new international standards for democratization, heightening pressures on Pretoria for black enfranchisement. The spectacle of popular masses overthrowing tyrannies once thought impregnable has encouraged Pretoria's leaders to get ahead of the trend.

But developments in East Europe and the Soviet Union have also eased the transition because of the diminished threat of communism. Moscow's policy change in southern Africa, which began to be evident some years ago, dismayed Pretoria at first, but was eventually taken seriously. The Soviet Union downplayed the "armed struggle," put aside the goal

<sup>2</sup>Washington Post, February 9, 1990; and *The New York Times*, February 6, 1990.

<sup>3</sup>*The New York Times*, February 18, 1990.

<sup>4</sup>Ibid.

<sup>5</sup>*The New York Times*, February 4, 1990.

of socialism, cautioned its allies not to meddle with the productive sectors of the economy and advised blacks to take account of white fears. These shifts suggested to Pretoria that the military capabilities of the ANC were being weakened as the Soviet Union fostered a political settlement. It "created a scenario," said de Klerk, "where the Communist threat . . . lost its sting."<sup>6</sup>

Joe Slovo, the leader of the South African Communist party, revealed how the ripples of Soviet "new thinking" had reached the distant shores of Africa, affecting anti-apartheid forces as well. Slovo questioned the wisdom of nationalization, pointing out that state domination of the economy is a feature of apartheid. And he rejected the one-party state as incompatible with democracy. "We have to face up to our failure in East Europe," he said. "We have to recognize that those were popular revolts against unpopular regimes. It's no good complaining that this was some kind of capitalist conspiracy. We did it all on our own."<sup>7</sup>

There have been more subtle, but no less significant, shifts in the West, particularly in the United States. Washington not only distanced itself from Pretoria as a result of a bitter national debate over President Ronald Reagan's policy toward South Africa, but Congress took tangible steps to encourage the end of apartheid. In 1986, sanctions became the law of the land in the country recognized as the leader of the free world.

Wanting to avoid confrontation with Congress over this issue, the administration of President George Bush has been sensitive to public sentiment. The administration appears to be more willing than the Reagan administration to cultivate sustained and high-level contacts with anti-apartheid leaders, both through its embassies in the region and in Washington, D.C. One of President Bush's first moves was to invite Albertina Sisulu (the wife of Mandela's colleague Walter Sisulu), a widely respected anti-apartheid voice who was banned at the time, to the White House.

The administration is also more balanced in its assessment of the impact of sanctions, despite the President's personal lack of enthusiasm for these measures. Assistant Secretary of State for African Affairs Herman J. Cohen noted that sanctions have had an effect on white South African thinking. He and other members of the administration have consulted on Capitol Hill with leading sanctions supporters, including members of the Black Caucus. By nurturing a bipartisan consensus, the administration has thus far been able to maintain

<sup>6</sup>"ABC Nightline," op. cit.

<sup>7</sup>*Washington Post*, January 21, 1990.

<sup>8</sup>Stephen R. Lewis Jr., *The Economics of Apartheid* (New York and London: Council on Foreign Relations Press, 1989), p. 167. See also *Washington Post*, February 18, 1990.

some influence on the situation, including credibility with blacks and a working relationship with whites in South Africa.

The most concrete result of its efforts was an agreement between the Executive Branch and Congress in 1989 to delay pressing for more sanctions for a period of six to nine months to "give de Klerk a chance." If that consensus is sustained, the United States could facilitate negotiations. A tilt in the other direction that would lift sanctions prematurely, however, could divide American opinion, squander American leverage and paralyze Washington in a pointless debate.

The conciliatory approach adopted by the Bush administration is based on a recognition that South Africa has become a domestic political issue. No other major Western ally has a grass-roots constituency of comparable weight, one that sees South Africa not in strategic or economic terms, but overwhelmingly as a human rights problem.

As a consequence, George Bush's approach to South Africa has been linked closely to contemporary partisan politics. A decision by the Republican National Committee to try to win more African-American votes in the 1990 election is a key element in this calculation, especially in light of recent gains made by this constituency in local and state politics, notably, the election of Douglas Wilder as governor of Virginia and David N. Dinkins as mayor of New York.

Many southern white congressmen are also in office thanks to African-American votes. The visit of civil rights leader Jesse Jackson to South Africa, which coincided with Mandela's release, was the most recent reminder of this political reality. Among other advantages, the trip provided an opportunity for one of the most celebrated African-American leaders to help shape the American response.

The debate over South Africa has also reached a new audience in the wider American public. Increasingly, analysts have acknowledged that sanctions have helped put the South African economy in a straitjacket of debt, capital outflow and loss of credit that affected white attitudes.

Stephen Lewis, author of *The Economics of Apartheid*, estimated the loss of capital to the South African economy at roughly \$2 billion a year. "Economic pressures have played a major role in forcing the South African government to change its policies on a wide range of issues from labor reform to the release of political prisoners," he wrote.<sup>8</sup> William

(Continued on page 232)

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*"At the end of the first ten years, the euphoria of independence has turned into harsh reality. Today, people worry about the suppressed inflation, the stagnant job market and declining services; nonetheless, expectations for Zimbabwe's development are high."*

# Zimbabwe a Decade after Independence

By VIRGINIA CURTIN KNIGHT  
*Consulting Editor, Current History*

**I**n April, 1990, Zimbabwe celebrated its tenth anniversary as an independent nation. In those ten years, the new nation experienced traumatic times: record drought, rebellion in the southern provinces, foreign currency shortages, closure of the university, and a corruption scandal involving Cabinet members and old-guard revolutionaries. Zimbabwe also experienced good times: an end to the violence in the south, a second round of multiparty parliamentary elections, reduction of the external debt, chairmanship of the nonaligned movement and international recognition of its agricultural capabilities. For the visitor, Zimbabwe is a model for Africa: good race relations, five-star hotels, roads in good repair, clean air and water, an abundance of consumer items, and competent and friendly people. But underneath the surface calm run currents of discontent and disappointment with the nation's accomplishments during the past ten years.

The year 1990 also brings an end to the restrictions on amending the constitution accepted at Lancaster House in 1979. All parties to the 1979 peace talks that ended the 13-year guerrilla war agreed to abide by the constitution for ten years. With the expiration of the constitutional restrictions, the government of ZANU PF (Zimbabwe African National Union Patriotic Front), headed by President Robert Mugabe, has submitted proposals to the Cabinet revising land acquisition procedures. How those proposals are implemented will have far-reaching ramifications.

Under the white minority governments before independence, the well-watered, fertile soils had been occupied by approximately 6,000 white commercial farmers and some corporate estates. Together they farmed nearly 35 million acres, almost 30 percent of the total land area. Black subsistence farmers, who comprised nearly 70 percent of the

\*The Zimbabwean dollar has declined against the U.S. dollar from Z\$1.58:U.S.\$1.00 in 1980 to Z\$0.43:U.S.\$1.00 in 1990. The figures used in this paper are United States dollars, post-1985; the conversions here have been made at Z\$.50:U.S.\$1.00.

<sup>1</sup>Robinson Gapare, quoted in *The Herald* (Harare), October 10, 1989.

population, were restricted to lands in the communal areas (formerly called TTL's or Tribal Trust Lands). The communal areas totaled about 42 percent of the land (about 43 million acres, of which 10 million are suitable for agriculture). Unfair land distribution was a grievance during the war for independence and remains so today.

The Lancaster House Agreement of 1979 compelled the government to acquire land for resettlement on a willing buyer/willing seller basis. To help implement this policy, the British government initially provided about U.S.\$45 million (and by 1989 an additional \$38 million) to buy out white commercial farmers.\* The Zimbabwean government provided matching funds. At the end of 1988, the government had purchased nearly 6.7 million acres for \$32 million. Less than one-fourth of that land was in prime agricultural areas.<sup>1</sup> Since independence, between 48,000 and 52,000 families have been resettled, far fewer than the projected 162,000 families in three years.

The slow pace of resettlement is considered by some analysts to be a good thing. The government does not yet have in place an infrastructure able to cope with more resettled farmers. For instance, one agricultural extension worker serves 850 families. Transport facilities—paved roads, trucks, railway depots—are not adequate to serve current demand. Boreholes, clinics, schools and credit institutions must be put in place to serve the new farming communities. Resettled farmers need support structures from the government, at least to get started. An article in a local magazine details the predicament of 600 families resettled from overgrazed semidesert communal lands to farms in Musengezi in 1985:

They arrived on lush former commercial farms armed with a few implements and skills for traditional subsistence agriculture. They had no money to buy better equipment, fertiliser, or pesticides. . . . Roads previously maintained by the commercial farmers deteriorated as did the dip tanks. There wasn't enough drinking water. Boreholes sunk in 1985 broke down or dried up. Some farmers had no alternative but to share dirty water from shallow wells with their live-

stock. Schools, which had served the needs of workers when the area was operating as commercial farms, were ridiculously inadequate for the children of resettlement farmers. There are no health centers.<sup>2</sup>

Despite the problems associated with resettlement, the government is reported to be planning to acquire an additional 15 million acres. Land reform is an important political issue. Individuals in the rural areas are impatient because of the slow pace of resettlement. About two-thirds of all Zimbabweans live in overcrowded rural areas where the land shortage is acute. President Mugabe knows he can win support on this issue.

In his address to the party congress in December, 1989, Mugabe reiterated the importance of land:

Perhaps the most vital question we face today in our economic development activities is the land question. . . . Government shall always be a willing buyer, but we shall not brook unwilling sellers.

His last comment was a precursor to the land reform proposals submitted to the Cabinet two weeks later.

The government is proposing that it be allowed to purchase any land it requires for public purposes, paying the owner in local currency. A proposed amendment to the 1985 Land Acquisition Act would give the Ministry of Lands, Agriculture and Rural Resettlement the power to designate any land it chooses for resettlement. Included in these proposals are two options to control land prices. One would fix land prices per acre according to the quality of land in the natural regions; the other would fix prices on the basis of the original purchase price of the land (including the value of permanent improvements). The government is also recommending that each individual and company should be limited to owning one farm unit.<sup>3</sup> The willing buyer/willing seller provision in the constitution provided some stability and incentive for improvements and experimentation in the commercial farming sector. Without legal protection, the future for white commercial farmers is uncertain.

## EMIGRATION

Expiration of the Lancaster House Agreement has also triggered a new wave of emigration. After

<sup>2</sup>Sheper Mutabwa, "Poverty and Land Suffer in Struggle to Resettle," in *Parade Magazine* (Harare), November, 1989, p. 6.

<sup>3</sup>"Zimbabwe Government Draws Up Comprehensive Policy to Solve the Land Problem," *Financial Gazette* (Harare), January 5, 1990.

<sup>4</sup>*Financial Gazette*, January 19, 1990.

<sup>5</sup>"Expatriates Urged to Help Tap Local Skills," *The Herald*, January 18, 1980.

<sup>6</sup>John Tudor Hughes, quoted in *Financial Gazette*, October 27, 1989.

<sup>7</sup>*Southern African Economist*, October/November, 1988.

independence, tens of thousands of skilled white workers left the country. By 1986, the exodus had nearly halted and in that year more people applied to settle than to leave. However, in the period January to April, 1989, the rate of emigration picked up again. More than 700 skilled workers left—teachers, engineers, dentists, medical doctors and assistants—compared with 535 emigrants for the same period the year before. In 1988, the country lost 10 percent of its practicing dentists. The number of people actually leaving is probably higher; not all emigrants report their status.

The shortage of skilled professionals slows down the government's efforts to expand the economy. The public service sector suffers the most. Private industry attracts the most qualified and experienced employees because of its higher wages and perquisites. More of a threat to employers in all sectors is the impact AIDS (Acquired Immune Deficiency Syndrome) will have on the workforce. No reliable figures are available although it is estimated that AIDS may cause a negative population growth rate in Zimbabwe by the year 2000. What is known is that AIDS occurs in the economically productive age group.<sup>4</sup>

In the past, expatriates have been employed in many fields. Between 1982 and 1988, nearly 100,000 expatriates and foreign consultants received about \$1.3 billion in hard currency.<sup>5</sup> As part of the government's efforts to pay off its external debt, it curtailed or eliminated the employment of expatriates in its parastatals. In the last four years, for example, the Zimbabwe Electrical Supply Authority reduced the number of expatriates at its Hwange power plant from 200 to 34 individuals. Whether or not this was a coincidence, recurrent unscheduled power cuts caused industry the loss of millions of dollars in 1989. The Zimbabwe Institute of Engineers claims that in one vital parastatal (the national railways) "about 79 percent of its engineers have less than five years experience. . . . This grim statistic must be repeated many times elsewhere."<sup>6</sup> Congestion in the national railway system has nearly crippled the economy and jeopardized many economic plans. Tobacco farmers, sugar refiners, and workers in paper mills, hospitals and factories have had to stop production from time to time when their coal ran out. Overall, the parastatals are a tremendous drain on the country's finances. Together, they are said to have borrowings in excess of \$7 billion and to require \$376 million a year in subsidies.<sup>7</sup>

The Public Service Commission has also been severely criticized for its inefficiency. A recent report on the public service completed by foreign observers described a wholly inadequate sector. The commission reviewed cases from 1980 to 1987 in two ministries. Out of 224 cases handled by the

ministries, 34 had been resolved by December, 1988. On average, each case took 12 months to resolve. Out of the 224 cases, 145 acknowledgments were sent in 5 months. The report also observed that in an effort to obtain a decision from the service, the exchange of favors was becoming increasingly common. The report comments that "It is difficult to make any observation other than that the public of Zimbabwe does not seem to have a very sympathetic administration to deal with."<sup>8</sup>

The commission's findings are borne out daily by the hundreds of people who line up during the night at the central registry office. These individuals are seeking passports, birth certificates, or national registration identity cards. The office is now accepting 200 applications a day. Before the cutoff at 200 a day, the registry was receiving 1,000 passport applications a day, for instance; they are able to process only 1,000 a week. Action on an application takes between 6 and 12 months.

## ECONOMIC REALITIES

Despite the transport and manpower problems, in the two-year period, 1988 and 1989, the economy grew at an average rate of 4.5 percent. Manufacturing output grew by 7.9 percent in the first half of 1989 and then tapered off. The growth in the economy, however, did not result in an increase in the number of jobs. Industrial leaders are reluctant to expand operations because they are concerned about the lack of transport, erratic electrical supply, shortages of building materials and skilled workers, and government price controls. Price controls and price freezes have kept prices artificially low. Manufacturers and producers have been limited to one price increase of 5 percent per year, while real inflation is estimated at between 15 and 40 percent a year. As part of its new investment code, the government has said it will lift price controls. If it does abolish the controls, inflation will further erode real earnings for all Zimbabweans.

The unemployment situation is a time bomb. The economy is incapable of creating enough jobs for the thousands of school-leavers who come into the job market each year. At its current rate of growth, the economy creates about 58,000 jobs each year. For the 1990's it is estimated that the number of school-leavers will reach 250,000 annually. Ironically, despite the shortage of skilled labor and the high number of unemployed, the government fails to keep its teaching colleges properly staffed. The major public polytechnic institute in Harare lost 72 faculty members in 1989 because of inadequate salaries and poor working conditions. Normally, the polytechnic institute graduates 200 trained students each year.

<sup>8</sup>Financial Gazette, November 3, 1989.

Another constraint to expanding the economy has been the lack of foreign currency. To pay off its external debt, the government has limited currency allocations for imports. The shortage of imported goods has hampered industrial output because the spare parts for machinery and transport have not been available. The shortage of spare parts for automobiles, for instance, has become so severe that thieves steal and resell signal lights, tail lights and headlights.

When it reduces the foreign debt, the government will have more foreign exchange to allocate to importers. At independence, the government began to rely on short-term borrowing to develop the war-depleted infrastructure. It also began paying off the large external debt incurred by the government before the 1965 Unilateral Declaration of Independence (UDI) made by Prime Minister Ian Smith's Rhodesian Front. To pay off the debt, the government began promoting exports and reducing imports. In 1987, the debt-service ratio (interest payments on foreign debt as a proportion of export earnings) peaked at 33.3 percent of export earnings. It dropped to 27.5 percent in 1988, and by April, 1989, it had fallen to 23 percent of export earnings.

The government's economic policies often reflect confusion over what kind of state the politicians say they want. Officials say they want to implement socialist policies. At the same time, they want to attract foreign capital and technology to expand output, employment and economic efficiency. Economic policies attempt to accommodate both schools: to use foreign capital but in a Marxist-Leninist state. The investment code issued in May, 1989, is an example of the government's ambivalence. Desperate for foreign investment and technology, the government issued new investment guidelines. The private sector said the guidelines did not go far enough to attract investment. Socialists accused the government of selling out to the capitalists. Government policies create frustration for both sides. The socialists want tighter controls; the business community wants fewer controls.

The possibility that new investment will come to Zimbabwe is even slimmer now that East European markets are opening up. Zimbabwe's neighbors, especially Botswana and Mozambique, offer far more favorable environments for foreign companies. Botswana is in the Rand zone, which gives it a convertible currency. Mozambique has disassociated itself from Marxism-Leninism and is actively seeking new capital. Although Mozambique's infrastructure is not in good shape, its laws regarding repatriation of profits and tax incentives are far more inviting to foreign capital. Newly independent Namibia is also wooing foreign investors.

By February, 1990, the new one-stop shop set up

by the investment code for processing applications for investment had approved about \$100 million in new investment. Most of the money comes from funds held locally. The \$450 million that the government hoped to attract in new investment has not been forthcoming. While Zimbabwe has tried to attract new foreign investment, it has also significantly reduced the percentage of foreign ownership in the manufacturing sector. To encourage disinvestment, foreign-held corporations that sell out at greatly discounted rates are paid in foreign currency, which they may repatriate. In 1985, 52 percent of all manufacturing enterprises were foreign-owned; in 1989, 25 percent.<sup>9</sup>

The ambivalence reflected in the investment code is also evident in the society at large. President Mugabe, his ministers and the government-controlled press promote the Marxist-Leninist line. Mugabe says that Zimbabwe is striving toward "socialism . . . built on the basis of Marxist-Leninist principles that take account of our historical, cultural and social experiences." The *povo* (a Portuguese word for the masses, used in Zimbabwe) are not convinced that the ministers are sincere when they talk about socialism. Ministers have had to cancel political rallies because of low turnout. Government officials have become large landowners and business operators. A letter written to the Bulawayo *Chronicle* signed T. Shumba reflected popular sentiment:

These people [the ministers] have amassed wealth—some are even said to be millionaires within eight years of our independence—and this at the expense of the ordinary man in the street.<sup>10</sup>

ZANU PF has also become involved in the private sector. In August, 1988, the party established the Zimbabwe National Holdings Corporation to group all its business interests. Then chairman Enos Nkala, the former defense minister, defended the party's involvement, saying that, "in pursuance of the principles of socialism, the ruling party wanted to be productive." He also assured businessmen that the "party will compete fairly without exercising its political muscle."<sup>11</sup> Wholly owned by ZANU PF, the holding company has a 55 percent share in ZIDCO (Zimbabwe Industrial Development Corporation) and owns 100 percent of the M and S Syndicate. M and S controls 60 percent of Woolworth (Zimbabwe), 50 percent of National Blankets, 50 percent of Catercraft (the airline

caterer), 50 percent of Zidlee duty-free shops and 44.6 percent of the Treger Group of Companies, a large manufacturer and exporter. Nearly half the Cabinet members are on the boards of directors.

## PARTY AND GOVERNMENT

In many ways, the party has become the government. At the beginning of 1990, Zimbabwe had 52 Cabinet ministers or deputy ministers, plus eight provincial governors—all appointed by Mugabe. With few exceptions, they are party members. Five of the ministries were responsible solely for party politics. The Army, Air Force and Police Commanders serve on the party's Politburo at the discretion of the party president.

University students have spoken out against what they call the "plunder, slander and looting sprees" conducted by party and government officials. In September, 1988, they issued a manifesto calling on Mugabe to end the corruption. They also asked for accelerated land resettlement, better relations with the labor unions, reduction in government spending on the bureaucracy, and an end to squandering funds on "white elephants" in the form of a party headquarters, a civic center, the Sheraton Hotel and International Conference Center, the national sports stadium and the proposed new Parliament buildings.<sup>12</sup>

The student demonstration spilled beyond the campus. Police riot squads used tear gas and clubs to contain the students; they detained 478 students from the university and from the polytechnic institute. With no explanation from the Ministry of Home Affairs, university law lecturer Shadrack Gutto was deported. To the surprise of many of Mugabe's strongest supporters, Mugabe reprimanded the students and supported the tough tactics of the police.

Shortly after the student demonstrations, reports of a racket involving government ministers and automobile distributors surfaced in the Bulawayo *Chronicle*. Even before the government-controlled newspaper exposed the scandal, it had become a national topic of conversation. Compelled by the public outrage, Mugabe appointed a three-member commission headed by High Court Judge Wilson Sandura to investigate. By the time the Sandura Commission's second report was tabled in August, 1989, five Cabinet ministers, a provincial governor, a deputy minister and others in the bureaucracy were forced to resign. The Cabinet officials were Senior Minister of Political Affairs Maurice Nyaya

(Continued on page 224)

<sup>9</sup>RAL, Merchant Bank Limited, *Quarterly Guide to the Economy*, September, 1989.

<sup>10</sup>Quoted in *The Weekly Mail* (Johannesburg), August 20, 1988.

<sup>11</sup>*The Herald*, August 2, 1988.

<sup>12</sup>Anti-Corruption Document, September 29, 1988.

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*"While the search for political control has preoccupied Museveni for four years, the extent of his success remained unclear in 1989 [and] . . . the central issues of regional and income inequality that were at the heart of the regional cleavages between north and south remain."*

# Uganda's Continuing Search for Peace

BY CHERRY GERTZEL

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**A**t the beginning of 1986, Uganda had become synonymous with anarchy, the abuse of civil rights and the destruction of civil society. Then, with Yoweri Museveni's assumption of power in 1986, a modestly successful attempt began to restore order and decency and to reverse the earlier destruction. At the end of 1989, the outcome for Uganda was tentative and the future was by no means clear. The significance of the attempt nonetheless went beyond Uganda since, in many respects, Uganda's long conflict presented the larger African crisis in microcosm.

Museveni had to undertake three key tasks in 1986: to create a national army subordinate to the state, to combat insurgency and to restore civil institutions. The fall of Kampala to the National Resistance Army (NRA) on January 26, 1986, and Museveni's swearing in as President three days later marked a major watershed in Uganda's nearly 25 years as an independent state. The NRA was an indigenous Ugandan guerrilla movement that had waged a successful civil war to seize state power from the incumbent regime.

However, the full significance of the NRA victory went much further: it arrested Uganda's long descent into violence, begun 15 years earlier under strongman Idi Amin. The NRA was committed to restoring human rights and reversing the institutional state terror that had increasingly characterized those years. A disciplined force in the civil war, in stark contrast to the brutal Uganda National Liberation Army (UNLA), the NRA claimed a moral authority that its predecessors had lacked.

According to Museveni, the coming to power of the NRA signaled a fundamental break with the past. The National Resistance Movement (NRA/M) (of which the NRA was the armed force) would hold office for four years, during which time a new constitution would be drawn up, elections would be held and Uganda would return to democratic civilian rule. While political party activity

(though not the parties themselves) would be prohibited, Museveni confirmed his commitment to national unity and a broad-based government that would include representatives of all districts, religions and former opposition groups. The NRA/M would be the custodian of Uganda's return to civil order. Its Ten-Point Program would provide the basis for a "national coalition of democratic, political and social forces" that would overcome the cleavages of the past.

By 1989, Museveni had provided a degree of security that Ugandans had not known for many years. A system of local representation had been established; a new "interim Parliament" had been set up; and there had been a significant reconstruction of communications in the south. President Museveni's government had a recognizable sense of purpose.

On the other hand, the north and northeastern regions had been devastated by long-drawn-out insurgencies, and there had been two abortive attempts to overthrow the government in the south. The consequences of 20 years of conflict were not easily overcome. Economic recovery remained elusive, and inflation continued. In many respects, the NRA/M faced many of the pressures that had confronted its predecessors. The outcome of its experiment remained in doubt.

The roots of the NRA can be traced to 1971, when Museveni and a group of anti-Amin Ugandan exiles in Dar-es-Salaam set up the Front for National Salvation (FRONASA). He and other NRA leaders trained with Frelimo in Mozambique in the 1970's.\* FRONASA was part of the Moshi Unity Conference that set up the Uganda National Liberation Front (UNLF) in March, 1980. The Ugandans had fought with Tanzanian forces in the liberation war against Amin in 1978-1979, and Museveni was a member of all three successive UNLF administrations in 1979-1980.\*\* He and his 26 colleagues took up arms inside Uganda in February, 1981, to protest the fraudulent elections of December, 1980, that returned A. Milton Obote to power, and regime and party violence and corruption.

\*Frelimo, the Front for the Liberation of Mozambique. See also the article on Mozambique in this issue.

\*\*For further details, see Nelson Kasfir, "Uganda's Uncertain Quest for Recovery," *Current History*, April, 1985, pp. 169ff.

The NRA fought the liberation war without an external base or much external assistance. By 1984, while the NRA was undoubtedly a credible guerrilla threat to Obote, its capacity to overthrow his regime was by no means certain. Obote's overthrow by the Acholi sections in the UNLA in July, 1985, and the progressive breakdown of the government forces that followed significantly altered the military situation. In August, Museveni refused the military junta's invitation to join the Military Council, but he did agree to negotiations for a peace agreement. Negotiations proceeded in Nairobi through the latter months of 1985 and led to a cease-fire. However, the cease-fire broke down, and by the time the NRA/M signed a peace accord with the Ugandan government delegation in December, it had established control over the western half of the country and had effectively cut Uganda in two. Although Kampala was not won without hard fighting, there was no doubt of Museveni's military victory.

Museveni took power in a country that appeared to be on the verge of collapse after the five-year civil war. The Luwero triangle north and northwest of Kampala, which had borne the brunt of the civil war, had been one of the richest and fastest growing parts of the country in 1982. Much of it was now a wasteland, with an estimated 250,000 people dead and thousands homeless. In other parts of the country, the physical damage of the earlier war against Amin was still visible. The countryside across the north and northwest had suffered at the hands of three successive waves of fleeing soldiers in 1979, in 1985 and in 1986. In turn, the northeast had been devastated and isolated by the violent cattle raiding by Karamojong that had intensified in the 1980's. The task of physical and economic reconstruction was thus enormous. At the same time, the government machinery to undertake that task was in disarray; the central administration had not functioned effectively for years; and, by late 1985, local government had come to a halt.

However, the most serious obstacles to national reconstruction were political. The Amin and the Obote regimes had left Ugandan society fragmented. In rural areas, an increased parochialism had been reflected in the expulsion of ethnic minorities from local communities. At the national level, the dominant political cleavage between north and south, which for 20 years had been perceived in ethnic as well as regional terms, was deeper than ever. It did not matter that neither north nor south was a homogenous region. Presidents Obote and Amin were both from the north, the Uganda People's Congress (UPC) was perceived as a northern-based party and the Ugandan army had historically been recruited primarily (although never entirely) from the Acholi districts. The Amin years had intensified

the southern sense of northern domination, but it was the second Obote regime and its short-lived UNLA successor that finally polarized the country. Above all, the role of the Acholi soldiers in the Luwero campaign and Acholi dominance in UNLA Commander Tito Okello's Military Council ensured that responsibility for the brutality of the war was laid at their door. When Kampala fell to the NRA in January, 1986, "Bantu southerners" were determined that they would never again be ruled by the "Nilotic north."

The civil war had also spawned four other guerrilla groups (two in Buganda and two in West Nile), essentially "military bands" recruited on a regional basis with a recognized regional leader to fight the Obote government. In August, 1985, the UNLA had given these leaders a place in the Military Council in return for their support against the NRA, and they had reportedly borne the burden of the southwest campaign. They had also fought each other; they were responsible for much of the violence against civilians, raising once again the specter of warring military factions that had threatened Uganda under the UNLF in 1979.

Thus Museveni had to assert his authority over a deeply divided country. The immediate priority was to end the war. By April, the NRA had marched through to West Nile. Museveni's first Cabinet consisted predominantly of senior NRA/M personnel; but it also included members of all four parties—notably the Democratic party (DP) under party president Paul Ssemogerere—while its composition indicated a careful regional balance. Although some members of the NRA/M were reportedly unhappy at this decision, it undoubtedly reflected Museveni's keen awareness of the political parameters within which he had to operate. The NRA and NRM leaders came for the most part from the central and southern regions. Museveni himself was a Munyankole from the west. The NRA was southern-based and had had little or no contact with the north or the eastern regions. Furthermore, the persistence of party support, particularly for the DP, could not be ignored, especially in Buganda. The broad-based Cabinet recognized Museveni's need to expand his political base and to ensure linkages between all districts and the center. In March, 1988, Museveni's appointment of two additional ministers from the northeastern districts of Soroti and Kumi was another effort to win support. This strategy meant an increasingly large Cabinet. By 1989, the Cabinet had 48 members and more than 60 assistant ministers, which led to criticism on the grounds of opportunism as well as expense. Museveni countered both charges, insisting that only including all interests at the center would create the basis for a national consensus.

Within this broad-based government, Museveni clearly intended that the NRA/M should be dominant. A 36-member National Resistance Council (NRC), consisting of representatives of the NRM and the NRA, was set up by Legal Decree No. 1 of 1986 as the supreme authority, with an executive committee composed of Museveni and other key NRA/M figures. The NRC would also act as the political organ of the NRM. Samson Kisekka, who had succeeded Yusufu Lule as NRM chairman when the latter died in 1985, became Prime Minister. The leadership role of the NRA was not in doubt. Power, however, appeared to lie not with the military in general, but with the close-knit group of veterans who had spent five years together in the bush and who came to be known as "the bushmen." Nothing demonstrated this more clearly than the changes made to the NRC in 1989 when, in a significantly larger body, 210 elected members were balanced by 68 appointed members, of whom 20 were presidential nominations, 10 were members of the NRA and 38 were the original "bushmen."

## THE CREATION OF A NATIONAL ARMY

The NRA itself had to be transformed from a southern-based guerrilla movement into a disciplined, regular army. In September, 1986, it was established by decree as the official army. By February, 1987, with the introduction of conventional military ranks, the transformation was complete. The NRA Code of Conduct, drawn up in the bush in 1981, was incorporated into the law as an amendment to Decree No. 1 of 1986, which validated the authority of both the NRA and NRM. It was subsequently included in the Armed Forces Act.

Museveni had insisted that external and internal threats to Uganda's security made a large army essential. Between 1986 and 1987, the NRA doubled in size to 50,000, and in 1989 observers spoke of a force of more than 100,000. The former fighting forces whose claim to recognition was acknowledged were progressively incorporated into the NRA ranks: the two Baganda forces, the Uganda Freedoms Army (UFA) and FEDEMU (Federal Democratic Movement of Uganda) in February, and the two West Nile groups, the Uganda National Rescue Front (UNRF) and the Former Uganda National Army (FUNA) in June and July. The agreement with the UNRF and FUNA raised public outcry in the Kampala press against "min's Men," remembered for the atrocities they had committed a year earlier. But Museveni probably had no choice. The continued existence of these forces was a threat to security and a potential

<sup>1</sup> Amnesty International, *Uganda: The Human Rights Record 1986-1989* (London: Amnesty International, 1989).

Ibid.

basis for armed opposition, but to disband them was no solution. Former UNLA soldiers were also offered an amnesty with the option to join the NRA or to receive assistance with resettlement. Careful conditions for integration were laid down, including screening for "criminal elements."

By 1989, after the incorporation of the UNLA rebels in the north, the NRA had become a very large force in which all regions were represented in both the rank and the officer class. How far southern prominence had been reduced was unclear, but Museveni had destroyed the regional armies. The incorporation of these forces carried with it the danger of weakening the veteran NRA command's control, as the attempted mutiny by one section in April, 1988, demonstrated. Nevertheless, the recognition that this enlarged NRA was the state's official armed force and Museveni's ability to prevent fragmentation were significant achievements.

Transferring the discipline of the NRA as a guerrilla force into this larger army was more difficult. A good deal had been achieved by 1989. Amnesty International observed that it was "remarkable how many NRA soldiers are brought before civil courts on criminal charges."<sup>1</sup> By mid-1986, nonetheless, NRA indiscipline was a source of public concern in Kampala, while in the north the harassment of civilians undoubtedly contributed to the outbreak of armed opposition in August and resulted in charges of serious violations of human rights.<sup>2</sup>

Museveni's sensitivity to criticism of the NRA revealed his predicament. The NRA/M took its public commitment to the restoration of human rights and civil order seriously. Soon after taking office it ratified international human rights treaties and made clear its adherence to the Organization of African Unity's (OAU's) African Charter on Human and People's Rights. Genuine attempts were made to enforce the NRA Code of Conduct, and Amnesty International indeed commented (not without concern) in 1989 on "the widespread use of the death penalty as a disciplinary measure in the NRA."

Nevertheless, the NRA was operating against a legacy of 15 years of armed violence and human rights abuses. The transformation of civil-military relations was being attempted in a society under enormous economic pressure. The army, like the government, had come to be seen as a source not only of personal accumulation, but also of family and kin support. Finally, the intense bitterness among southern Ugandans because of their treatment at the hand of the UNLA (perceived as northern) had to be taken into account. The difficulties that Museveni faced were not with UNRF or FUNA, but with FEDEMU and UFA.

The most serious problems that faced the NRA/M

in the restoration of state power were the continuing division between the north and the south, and the northern rebellion that broke out in August, 1986. The NRA had been welcome when it arrived in the north in February. Whereas the fleeing UNLA had looted and killed, the NRA did not harass civilians or pursue them into the villages. While Museveni emphasized his determination to control "criminal" elements when he addressed Acholi elders on his first visit to the north in March, he also emphasized the NRA's commitment to national unity and reconciliation. Unfortunately, the second NRA contingent sent north was less disciplined than the first, and the security situation deteriorated.

The crisis developed into war in August when ex-UNLA troops, who had earlier fled into southern Sudan, formed the Uganda People's Democratic Army (UPDA) and crossed back across the border to attack NRA posts in both Kitgum and Gulu districts. Former UNLA soldiers in the villages organized local fighting groups and at the peak of the rebellion there were an estimated 5,000-6,000 anti-government rebels.

It took the NRA three years to defeat the UPDA. In the stalemate, both sides were guilty of atrocities.<sup>3</sup> In both Kitgum and Gulu districts, the NRA embarked on harsh "search and destroy" sweeps in their efforts to clear the rebels out of the countryside, leaving thousands of villagers homeless and displaced. When the UPDA commanders began to negotiate a peace with the NRA in March, 1988, the countryside was exhausted, and rural society was bitter and alienated.

By the middle of 1989, the war in Acholi had all but ended, and in the northeast fighting was reduced to sporadic UPA attacks. The costs had been high. Three years of continuing insurgency and NRA response had left the north and northeast devastated, with homes, granaries and cattle destroyed, the productive base of the domestic economy shattered and both Acholi and Thesot peasant society dislocated. The loss to the national economy had been enormous. The task of reconstruction that faced the government in 1989 was as great as it had been in Luwero in 1986. Whether Museveni's broad-based government could overcome the alienation left by the war remained to be seen. Museveni's increased visits to the region after late 1989 suggested, however, his understanding of the even greater task of reconciliation.

## THE RESTORATION OF CIVIL ORDER

When Museveni took power in 1986, he had promised the restoration of elected government under a new constitution in four years, a difficult deadline to meet. The process of restoration began

<sup>3</sup>Ibid.

with a series of *ad hoc* inquiries set up to tackle management problems and the corruption and lack of accountability that had eaten away the public service over the previous 15 years. After mid-1986 a succession of formal Commissions of Inquiry began to probe development policy as well as institutional issues. Basic surveys were set in motion, including census of civil servants. Major efforts began to restore the law. In May, 1986, a Commission on Human Rights (the first of its kind in Africa) was set up to hear cases of human rights abuse since 1962; its hearings were still in progress four years later. At the same time, the government established the new office of Inspector-General of Government (IGG) to investigate allegations of abuse and misuse of public office as well as violation of human rights since January 26, 1989; i.e., under the NRA/M administration itself. The capacity to restore efficient government, however, ultimately depended on economic recovery, and this remained elusive.

Although a minister of state for constitutional affairs was appointed with the first Cabinet in February, 1986, the NRM moved more slowly on the question of a new constitution. This delay demonstrated particularly from Baganda royalists, whom the key political as well as constitutional issue was the restoration of the kingdoms that Obote I abolished in the 1967 republican constitution. Nevertheless, the monarchical Kabakaship was clearly no longer the major popular issue, especially for the generation of Baganda who had grown up without knowing a Kabaka (traditional tribal king). The NRM made it clear, not least through the Prime Minister (himself a Muganda), that the kingdom had low priority in their plans for reconstruction. The monarchists were left in disarray.

The constitutional commission was set up in course in November, 1988, to proceed with tasks of consultation and the drafting of a constitution. By that time, however, the government had already proceeded with institutional changes that had potentially far-reaching implications. A policy statement on local government issued in April 1986, gave details of changes to be made in the organization of the government at the subnational level. Central to those changes was the creation of a hierarchy of elected Resistance Councils (RCs) Committees, starting at the village and proceeding upward to the district level. The highest court

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*"The agricultural changes being implemented by the Moi administration have given rise to a peculiarly bipolar opposition. . . [The] principal criticism [of the left] is . . . that the Moi administration has maintained the essentially capitalist framework set in place by Kenyatta in the early 1960's. . . . Conservatives . . . condemn his government for interfering with the system of applied comparative advantage." But, as a Kenyan proverb tells it, "L'état c'est Moi."*

## Kenya: Still an Economic Miracle?

BY MICHAEL F. LOFCHIE

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**K**ENYA must be reckoned among the most difficult countries in Africa to evaluate. Compared with the economic performance of the vast majority of countries in independent Africa, Kenya's economic success is outstanding. During the years following its independence in December, 1963, Kenya attained such a high rate of economic growth that it came to be widely regarded as something of an economic "miracle." According to recent World Bank figures, Kenya's economy attained an average growth rate of 6.4 percent per year from 1965 to 1980.<sup>1</sup> Among the 40 or more independent countries in sub-Saharan Africa, only 3—Nigeria, Ivory Coast and Botswana—exceeded that growth rate.

The distinctive feature of Kenya's early economic record was the fact that, as early as the mid-1960's, it adopted an economic strategy that anticipated most of the key ingredients in the World Bank's current recipe for high economic growth. These included a strong emphasis on the importance of private ownership and management of the country's most productive assets—agricultural land, a commitment to a predominantly market-based allocation of capital resources, and a belief in the importance of individual economic incentives as indispensable to stimulating productivity. The central premise of Kenyan development policy in the first 15 years of independence was that the country's scarce economic resources should be allocated in ways that would stimulate the greatest possible amount of economic growth rather than encouraging redistribution of the country's limited wealth.

Kenya's unusual record of positive economic performance was accompanied by a generally commendable political record. Although it has been governed by a single party, the Kenya African Na-

tional Union (KANU), since the fall of 1969, its political system could nevertheless be described as competitive and relatively open. Primary parliamentary elections, for example, were often so vigorously contested that, on average, about 50 percent of the country's members of Parliament were not reelected. Parliamentary debate, moreover, was intense and often publicly revealed the existence of fundamental ideological and policy differences among rival groups of political leaders. There was also a relatively lively press that, within unstated but well-understood limits, could freely discuss many of the country's most pressing social and economic problems.

Despite these achievements, there have been serious concerns about whether Kenya would be able to maintain the strong economic and political trajectory it established under President Jomo Kenyatta during the decade and a half after independence. Since current President Daniel arap Moi became Kenya's head of state in late 1978, economists in the World Bank and the United States Agency for International Development (USAID) have increasingly taken the view that, although Kenya's economic performance has indeed been impressive by African standards, its economic and political performance during the past decade has been seriously inadequate.

Their most serious criticism is that Kenya's growth trajectory does not begin to compare with those of the more rapidly developing countries in Asia. These economists argue that Kenya is not competing for foreign investment with Uganda or Tanzania but, rather, with Singapore, Taiwan and South Korea. They insist that Kenya's economic performance must improve to a level comparable with those Asian countries if it is to generate an improving standard of living for its population.

These concerns were abetted by a falloff in economic performance during much of the 1980's. Between 1980 and 1987, for example, Kenya's growth rate dropped substantially, averaging only 3.8 percent per year.<sup>2</sup> Although this was still one of the

<sup>1</sup>The World Bank, *World Development Report 1989* (New York: Oxford University Press, 1989), p. 166.

<sup>2</sup>Ibid. Despite this decline, Kenya's growth rate remained among the five highest in independent sub-Saharan Africa, following only Chad, Burkina Faso, the People's Republic of Congo and Botswana.

highest rates in independent sub-Saharan Africa, it may for the first time have fallen below the country's very high rate of population increase, often estimated to be as high as 4 percent per year. As a result, per capita income may also have fallen during this period.

In recent years, however, Kenya's growth rate has begun to creep upward again, averaging about 5 percent per year in 1987 and 1988, a figure that is substantially greater than even the highest estimate of population growth. But this recovery has not allayed the doubts of most sympathetic observers, who remain deeply concerned about Kenya's economic and political future. A recent article in the *African Economic Digest* reflects this concern.

This impressive track record, almost unparalleled on the continent, conceals a more disturbing economic reality, marked by severe population pressure, bureaucratic immobility, weak policy implementation, corruption and the government's ability to slide out of commitments made to international donors.<sup>3</sup>

Doubts about Kenya's economic future focus particularly on the country's deep-rooted reluctance to reform its inefficient and outmoded system of grain procurement and marketing, its ongoing commitment to an industrial strategy of import-substitution (universally regarded as a hindrance to the development of export-oriented industries), and a serious drop in foreign investment.

## WHY IS KENYA DIFFERENT?

Reduced to elemental simplicity, the economic difference between Kenya and most of the countries of independent sub-Saharan Africa is that Kenya has enjoyed 25 years of agricultural growth of sufficient magnitude and strength to afford important spillover benefits to other economic sectors. Other African countries have not. The key to Kenya's positive performance has been sustained growth in the productivity of its agricultural sector and, especially, the fact that agricultural exports have consistently generated sufficient foreign exchange earnings to permit the acquisition of capital goods and other inputs necessary for the health of its industrial and manufacturing sectors.

Kenya's agricultural policy since independence has been broadly guided by the classic economic doctrine of comparative advantage. Kenya's political leaders have allotted the lion's share of their country's financial and other resources to expanding the production of coffee and tea. These are agricultural commodities that Kenya is particularly

well-suited to produce from a physical and agro-climatic standpoint. Therefore, in the case of these commodities, Kenya enjoys a strong competitive position in international markets. Throughout the 1960's and 1970's, Kenyans were far less inclined to devote their economic resources to increasing the production of food grains like corn and wheat, understanding that the same resources yield far greater value when devoted to coffee and tea, since grains have generally been readily available at low prices in international markets.

The critical difference between Kenya and most of contemporary Africa, then, lies in the extent to which its political leaders have placed their highest developmental priority on the economic interests and financial well-being of export agriculture. The sociopolitical basis of this difference is a matter of extreme importance. It does not lie in the fact that Kenya's political leaders share ethnic and cultural ties with kith and kin in the countryside. That much could be said of nearly every group of national political leaders throughout independent Africa; yet communal linkages did not prevent the introduction and implementation of inappropriate agricultural policy elsewhere on the continent.

To understand why Kenya is different from other African countries, it is critically important to isolate the unique features of its political elite. The political coalition that came to power when Kenya attained its independence in the early 1960's was dominated by members of a particular ethnic group, the Kikuyu—physically concentrated in a particular region of the country, the Central province. Most important, the dominant individuals invested heavily in land devoted to coffee and tea production. It would be only a slight exaggeration to suggest that the most influential members of President Kenyatta's government were members of agriculturally prosperous families who benefited greatly from the ownership of agricultural land and whose farms were principally devoted to the production of coffee and tea. In pursuing a set of policies favorable to the health and vitality of the agricultural sector, they were serving their own economic interests.

The elite ownership of agricultural land that so visibly distinguishes Kenya from other African countries has both pre-colonial and modern roots. Anthropological evidence suggests that Kenya's system of private land ownership began with the earliest arrival in this region of the Kikuyu people. The original Kikuyu method of acquiring land was to buy it from its original owners, the Dorobo.<sup>4</sup> By the time European colonists began to arrive in the late nineteenth century, the system of private land ownership had become widely diffused throughout Kenya's central highlands.

<sup>3</sup>*African Economic Digest*, October 9, 1989, p. 2.

<sup>4</sup>John Middleton and Greet Kershaw, *The Kikuyu and Kamba of Kenya* (London: International African Institute, 1965), pp. 25-27.

Kenya's system of private land ownership was powerfully reinforced by colonial policy. During the early 1950's, the colonial government began to convert land in all the major agricultural regions of the country to a system of freehold tenure. The purpose of this program, which was formally known as land consolidation and adjudication, was largely economic. By enabling African farmers to obtain title deeds to their farms, the government hoped to promote the use of farmland as collateral for development loans. The process of land adjudication was taken over virtually intact by the independent government of Kenya, which has made it a cornerstone of the country's land policy.

Africans, like people everywhere, create political and economic institutions that enable them to take full advantage of their economic potential. Kenya provides a dramatic illustration of this process.<sup>5</sup> Shortly after independence, the Kenyan government created a special lending institution, the Agricultural Finance Corporation (AFC), whose purpose was to make loans to Africans who wished to buy agricultural land and who seemed most able to make the necessary payments. Since government salaries are among the highest and most secure in the country, members of Kenya's political and bureaucratic elite have consistently been able to qualify for AFC loans as well as loans from private lending institutions that are also attracted by the security of government salaries.

The result of Kenya's long-standing and country-wide system of private land ownership combined with the creation of public and private lending institutions that favor well-placed political leaders and bureaucrats is that an overwhelming number of Kenya's political elite have invested in agricultural land. The exact amount of land owned by individual political leaders is not well-known. But the political point is nevertheless clear: ownership of the country's best farmland by public officials has become so pervasive that agricultural interests cannot be viewed as a separate lobby outside the corridors of political power. On the contrary, as far as agricultural matters are concerned, the government of Kenya has, from the moment of independence, been a government of farmers, by farmers and for farmers.

No other feature of Kenya's environment explains why it came to be so widely regarded, throughout the 1960's and 1970's, as one of Africa's rare economic "miracles." As farmer-politicians, the

<sup>5</sup>The ideas here and elsewhere in this article owe much to Robert Bates, *Beyond the Miracle of the Market: The Political Economy of Agrarian Development in Kenya* (Cambridge and New York: Cambridge University Press, 1989).

<sup>6</sup>For a full discussion, see Christopher Leo, *Land and Class in Kenya* (Toronto and Buffalo: University of Toronto Press, 1984), especially chapters 5 and 6.

dominant political elite of the Kenyatta era formulated and implemented economic policies to enhance the performance of the country's agricultural sector. But in creating a policy framework tailored to their specific interests as large-scale, export-oriented farmers, they also fostered an economic environment that helped buoy the economic well-being of other farmers as well. This had important political benefits in generating widespread political support for the government among the country's small and mid-size farmers.

Although the policies of the Kenyatta government yielded rich economic dividends, it would be misleading to suggest that this policy was politically easy to implement. Policies that confer benefits on some groups impose costs on others. Nowhere is this clearer than in Kenya.

## LAND POLICY

In the immediate post-independence era, there was intense pressure to redistribute Kenya's high-potential agricultural land to the untold thousands of Kenyans who had been made landless during the colonial period. The Kenyatta administration, however, was deeply concerned that a program of wholesale land redistribution would jeopardize the highly productive agricultural economy it had inherited from the departing colonial population. To avoid any such disruption and to position itself to take possession of the European farms, the government implemented a land policy that was intended to maintain the essential pattern of large-scale land ownership.

Thus land redistribution to landless families would be kept to a minimum. Kenya's program of land resettlement affected only a tiny fraction of the country's landless people. The "Million-Acre Scheme," which was for all practical purposes the only program to resettle landless African families on European farms, involved a total of only about 35,000 families and utilized only about one-fifth of the land area formerly occupied by European settler-farmers.<sup>6</sup>

The Kenyatta government's decision to place a higher value on long-term economic productivity than on short-term relief of political pressure has enormous significance in Kenyan politics today, because it has provided the basis for two decades of intense political opposition. During the late 1960's, that opposition took the form of a radically populist political party, the Kenya People's Union (KPU). After the KPU was banned in the fall of 1969, opposition to the government's elitist land policy became more covert, surfacing sporadically in the form of underground opposition movements. During the mid-1970's, one such movement was known as the *Mwaskini*, the poverty movement. Through-

out the 1980's, radical opposition to the government's land policy has become known as *Mwakenya*, the Kenyan Movement.

Although land policy is the most visible example of the Kenyatta government's commitment to large-scale farmers (especially those involved in the production of export crops), the same commitment can be readily discerned in at least two other areas of policy: exchange rate policy and pricing policy.

### **EXCHANGE RATE POLICY**

In general, scholars of contemporary African development believe that a country's exchange rate policy (the number of units of local currency it offers per United States dollar) provides the litmus test of its policy toward the agricultural sector. An overvalued exchange rate (too few units of local currency per United States dollar) is unfavorable to agricultural growth because it imposes a tax on the producers of export crops by reducing the local price producers receive for their commodity. Overvaluation is also harmful to the economic well-being of food crop producers. It cheapens the domestic price of food imports and forces food producers to compete with imported goods at lowered price levels.

An exchange rate that is not overvalued, on the other hand (i.e., one that offers a higher number of units of local currency per United States dollar), avoids both these effects and is, therefore, generally considered more favorable to the agricultural sector. The best means for measuring a country's tendency toward currency overvaluation is to compare the official exchange rate with the rate obtaining in informal or unofficial transactions. The greater the difference between the low official rate and the higher unofficial rate, the greater the discrimination against the agricultural sector.

It has been the consistent policy of the Kenyan government to maintain a realistically valued exchange rate. Rarely has the official value of the Kenyan shilling appreciated by more than 30 percent over the parallel rate. In this respect, Kenya differs markedly from many African countries where the ratio of the parallel rate to the official rate, the measure of overvaluation, is often between 5:1 and 10:1.

Although, by most African standards, Kenya's exchange rate policy has been prudent and realistic for more than 20 years, the recent tendency toward a slight overvaluation in the 20-30 percent range for the period 1984 through 1989 has provided substance to the arguments of those who voice concern about the country's future. World Bank economists, for example, tend to argue that an overvaluation as

small as 20 percent can result in harmful price disincentives for agricultural producers who must operate in highly competitive markets. Those who take this position argue that Kenya should implement a genuine structural reform, allowing its exchange rate to be set by market considerations rather than by the Central Bank.

### **PRODUCER PRICING**

The third building block of Kenya's status as an economic miracle has been the government's policy of producer pricing. The government has usually tried to make sure that agricultural producers receive adequate price incentives to encourage a steady increase in agricultural output. In this respect, Kenya's economic approach has been strikingly different from the approach of many African countries that have demonstrated a tendency to reduce agricultural production by suppressing producer incomes.

The most commonly accepted standard for measuring agricultural producer prices is an economic concept called the nominal protection coefficient (NPC). This standard compares the domestic price of a given agricultural commodity with its world market price. The purpose of the NPC is to determine what share of a crop's value is passed on to the producer.

The World Bank has explained the NPC in the following terms.

The NPC measures production incentives in a relative sense, comparing producer prices with the maximum price . . . that could be offered to producers without subsidies. A low NPC means high taxation; an NPC of about one implies no taxation; an NPC greater than one indicates subsidies to farmers.<sup>7</sup>

This method of evaluating a country's producer pricing policies has one important shortcoming; because world market prices for agricultural commodities often tend to fluctuate greatly from one year to the next, there is a strong likelihood of short-term fluctuations in the NPC patterns of a country's agricultural commodities. It is, therefore, most effective to view a country's NPC pattern on a long-term basis. For the 18-year period 1967 to 1985, the NPCs of Kenya's main export crops, coffee and tea, averaged 0.70. That is, about 70 percent of the world market price was passed on to producers after

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Michael F. Lofchie's most recent book is *The Policy Factor: Agricultural Performance in Kenya and Tanzania* (Boulder, Col.: Lynne Rienner, 1989). He is currently involved in a research project comparing structural adjustment in Kenya, Tanzania and Ghana.

<sup>7</sup>The World Bank and the United Nations Development Program, *Africa's Adjustment and Growth in the 1980's* (Washington, D.C.: World Bank, 1989), p. 22.

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*"It is highly unlikely that peace would have been swiftly achieved in Angola even if the United States had handled its policy more creatively. The gap between the MPLA and the UNITA positions is so wide . . . it is hard to imagine the opposing forces coming to agreement rapidly, even under ideal circumstances."*

## Unfulfilled Expectations in Angola

BY GILLIAN GUNN

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**I**n late 1988, prospects for peace in Angola appeared brighter than they had at any time since the current conflict began in 1975. Nonetheless, as of early 1990, few peace expectations have been met. Angolan children still claim the dubious honor of having one of the highest mortality rates in the world; reconstruction of the war-torn economy is yet to begin; and Angolans are still maiming and killing each other on the battlefield.

Peace expectations have not been met for four reasons. First, although the changes in the Soviet Union contributed to a reduction of international involvement in Angola and raised peace expectations, they had less impact on the internal Angolan political conflict. Second, while the administration of United States President George Bush was finding its feet during the first six months of 1989, it failed to follow the Angola situation closely and was reluctant to take a leadership role in the negotiations for fear of alienating American conservatives. Consequently, a crucial mid-year negotiating opportunity was unexploited.

Third, the Bush administration's sensitivity to conservative opinion caused it to adopt policies that strengthened hard-line tendencies within the Angolan government, ruled by the Movimento Popular de Libertação de Angola (MPLA), and the United States-backed anti-government guerrilla group, the União para a Independência Total de Angola (UNITA). Fourth, toward the end of 1989 the MPLA leadership's hard-line stance reinforced the predisposition of powerful conservative groups in the United States to advocate confrontational policies regarding Angola. Consequently, the "hard-liners" on each side unwittingly bolstered the position of "hard-liners" on the other, and the war continued.

Breaking the self-perpetuating cycle will be difficult. If the leadership in the United States and

Angola fails to summon the courage to implement pragmatic policies that are difficult to "sell" domestically but are actually in the long-term interest of the respective states, then the war-weary Angolan people may suffer years of armed combat before peace negotiations move forward.

Optimism peaked when two agreements were signed on December 22, 1988, in New York. The Angolan, Cuban and South African governments signed a tripartite agreement, and the Angolan and Cuban governments signed a separate bilateral accord. These documents provided for:

- The withdrawal of Cuban troops from Angola over a 27-month period. (Cuban troops had arrived in Angola in 1975 to assist the MPLA, and by late 1988 their number had grown to 50,000.)

- Implementation of the United Nations Resolution 435 independence plan for Angola's southern neighbor, Namibia. (This was important because South Africa had long used Namibian territory to launch military attacks against Angola and to supply the UNITA rebels. With Namibian independence, these South African activities would be impossible.)

- A pledge that the signatories would not permit their territories to be used "by any state, organization or person in connection with any acts of war, aggression, or violence against the territorial integrity . . . of any state of southwestern Africa." (This meant that South Africa would be prohibited from aiding UNITA, and Angola would have to remove the training bases of the anti-apartheid movement, the African National Congress, ANC.)<sup>1</sup>

Two other problems had already been dealt with in an August 5, 1988, protocol. For over a decade the South West Africa People's Organization (SWAPO) had used Angolan territory as a base from which to launch intermittent guerrilla raids into Namibia as part of its effort to convince South Africa to permit Namibian independence. To reassure South Africa that SWAPO would not interfere in the Namibian independence process, Angola and Cuba promised to "use their good offices so that . . . SWAPO forces will be deployed

<sup>1</sup>"Agreement among the People's Republic of Angola, the Republic of Cuba, and the Republic of South Africa," reprinted in *United States Department of State, Bureau of Public Affairs, Selected Documents No. 32, "Agreements for Peace in Southwestern Africa,"* December, 1988, pp. 4-5.

north of the 16th parallel [in Angola]." The same August protocol contained a pledge by Cuba not to "take part in offensive operations" in UNITA's southeastern heartland, provided Cuban troops were "not subject to harassment."<sup>2</sup> Subsequently, Cuba and UNITA agreed informally not to attack each other elsewhere in the country.<sup>3</sup> These agreements, however, did not end United States assistance to UNITA.

The December 22, 1988, agreement was possible because most of the external actors involved in the Angolan conflict had gradually concluded that a settlement would better suit their interests than continued war.

- The Soviet Union, which had long been the Angolan government's main arms supplier, wished to disentangle itself from the Angolan conflict, thereby reducing military expenditures and removing a source of tension in relations with the United States. It therefore urged its Cuban, Angolan and SWAPO allies to be flexible in the negotiations.

- The administration of United States President Ronald Reagan wished to achieve a foreign policy success before the end of its term; thus it put greater effort into its Angolan diplomacy.

- South Africa was concerned about the cost of subsidizing the Namibian economy and security operations, and feared additional Western sanctions if it continued to refuse to grant Namibia independence. When its military became overextended at Cuito Cuanavale in southern Angola in early 1988 and suffered significant white casualties at the hands of newly reinforced Cuban troops, South Africa became even more interested in a settlement.

- During the second half of the 1980's, Cuba had become increasingly frustrated with the stalemated military situation in Angola and the ongoing financial and human cost of the war. However, Cuban President Fidel Castro was anxious to avoid the appearance of a military or diplomatic defeat in Angola. When reinforced Cuban troops succeeded

<sup>2</sup>"Protocol of Geneva: August 5, 1988," in *Namibian Independence and Cuban Withdrawal* (Pretoria: South African Department of Foreign Affairs, 1989), p. 30.

<sup>3</sup>Gillian Gunn, "Keeping Namibian Independence on Track: The Cuban Factor," *CSIS Africa Notes*, no. 103 (October 23, 1989), p. 3.

<sup>4</sup>For more information see also Gillian Gunn, "A Guide to the Intricacies of the Angola-Namibia Negotiations," *CSIS Africa Notes*, no. 90 (September 8, 1988); and Jeffrey Herbst, "The Angola-Namibia Accords: An Early Assessment," in Sergio Diaz-Briquets, ed., *Cuban Internationalism in Sub-Saharan Africa* (Pittsburgh: Duquesne University Press, 1989).

<sup>5</sup>John Marcum, "United States Options in Angola," *CSIS Africa Notes*, no. 52 (December 20, 1985).

<sup>6</sup>William Minter, *Operation Timber: Pages from the Savimbi Dossier* (Trenton, N.J.: Africa World Press, 1988).

<sup>7</sup>Fred Bridgeland, "Savimbi: Fallen Idol of Angola," *The Sunday Telegraph* (London), March 12, 1989.

in increasing the cost of the Angolan war to a level unacceptable to the South African white electorate in early 1988, and when South African troops backed down from the engagement, Cuba was able to claim it had "won" against Pretoria. The Cuban realization that the Soviet Union would welcome Cuban cooperation in the negotiations also encouraged Castro to adopt a flexible posture.<sup>4</sup>

The December, 1988, accords were not primarily the result of United States aid to UNITA. In fact, the accords might have been concluded earlier without American aid. The talks stalled altogether in early 1986 when it was revealed that the United States had initiated a covert aid program to UNITA; talks did not begin again until April, 1987.<sup>5</sup>

However, while the December, 1988, accords reduced international involvement in the Angolan conflict, they did not resolve the internal conflict between UNITA and the MPLA. That struggle has its own roots. UNITA's political base is in the central and southeastern part of the country and its main support has traditionally come from the Ovimbundu tribe; although it gradually adopted various ideological colorings to suit the benefactor of the moment, it currently advocates free market-style economic management. In contrast, the MPLA's political base is in the area around the capital, Luanda; its support has traditionally come from the Mbundu tribe and from mixed-race Angolans. And it has long advocated socialist policies, although since 1985 economic reforms have been implemented, following the style of Soviet President Mikhail Gorbachev.

Even more divisive than these factors is the MPLA's phobia concerning UNITA leader Jonas Savimbi. The MPLA believes, with some justification, that Savimbi cooperated with the Portuguese secret police and betrayed MPLA activists during the struggle for independence in the 1960's and early 1970's.<sup>6</sup> MPLA leaders have also been disturbed by reports that Savimbi is willing to use assassination as a political tool.<sup>7</sup> Finally, the MPLA has long feared Savimbi's charismatic ability. In 1977, another charismatic MPLA leader, Nito Alves, used similar skills to mount an unsuccessful coup attempt. For all these reasons, the MPLA has been reluctant to negotiate with UNITA and was firmly opposed to giving Savimbi a major role in the government.

While the reduction of external involvement in Angola addressed one acrimonious issue dividing the two organizations, the legacy of MPLA-UNITA hostility remained a major obstacle to peace talks. Western observers nonetheless hoped that the natural dynamics of the new international context would lead the warring elements to move

toward "national reconciliation." As the Cuban troops departed, the MPLA was expected to feel increasingly vulnerable militarily and therefore more amenable to a peace deal. Without South African supply lines and occasional armed intervention, UNITA was judged likely to be equally interested in a settlement.

### **PROGRESS TOWARD PEACE**

These expectations initially appeared well-grounded, and modest progress toward "national reconciliation" was indeed made during the first six months of 1989. However, other developments, including some related to United States policy, strengthened the hard-liners in the MPLA, and when the talks stalled in mid-year, those advocating less flexible policies gained the initiative.

The year 1989 began inauspiciously with a confused exchange of messages between the MPLA and the outgoing administration of Ronald Reagan. Early in January, 1989, Washington suggested that the United States would send a few diplomats to Angola's capital, Luanda. They would not be an "interest section"; their duties would officially be connected with the implementation of the December 22, 1988, accords, but they would in fact provide a direct channel of communication between the Angolan government and Washington. The Angolans in turn, Washington suggested, could strengthen their diplomatic mission at the UN in New York.

The Angolan government reaction was negative. Why, it asked, should the arrangement not be reciprocal? Why should Angola not have diplomats resident in Washington, D.C., if the United States were to have diplomats in Luanda? The reason, which the Angolans either could not or would not understand, was that United States domestic politics made President Reagan reluctant to annoy the conservatives and pro-UNITA elements in Washington by inviting MPLA diplomats to establish a presence. Unable to convince the United States to make the offer reciprocal, the MPLA turned it down.<sup>8</sup>

This was a small incident, but it had an important impact on internal MPLA dynamics. Many MPLA leaders believed that the United States had promised to improve relations as a reward for the agreement on Cuban troop withdrawal. They had some grounds for this belief; Chester Crocker,

<sup>8</sup>Confidential interviews with United States and Angolan officials, Washington, D.C., January, 1989.

<sup>9</sup>"Final Communiqué," Permanent Mission of the People's Republic of Angola to the United Nations, Press Release, no. 54 (May 16, 1989); Michael Holman, "African Leaders Launch Effort to End Angolan War," *Financial Times*, May 16, 1989.

<sup>10</sup>"Angola: Text of Gbadolite Declaration," *BBC Summary of World Broadcasts* (London) (cited as *SWB*), June 27, 1989.

assistant secretary of state for African affairs in the Reagan administration, had implied as much, albeit without making explicit promises. The perception of American duplicity strengthened the hand of those in the MPLA who were skeptical of United States intentions. They argued that the United States was "moving the goalposts" and that Washington was not to be trusted. When it became evident in early 1989 that the United States was increasing its covert assistance to UNITA to compensate for the reduction of aid from South Africa required by the December, 1988, accords, there seemed to be an even greater justification for their distrust.

Unfortunately, the United States was not able to explain the domestic political circumstances that prevented a reciprocal exchange of diplomats, because Washington was absorbed with the transition between the Reagan and Bush administrations. There was a delay in the selection of a new assistant secretary of state for African affairs. Conservatives found President Bush's first choice insufficiently supportive of UNITA, and it was not until May, 1989, that Herman J. Cohen was finally confirmed by Congress. Assistant Secretary Cohen (possibly to avoid the fate of the previous candidate) adopted a vigorously pro-UNITA position during his confirmation hearings.

While United States diplomacy was in its transition hiatus, African leaders were asked to play a greater role in mediating the internal Angolan conflict. The Angolan government took up the challenge, and on May 16, 1989, Angolan President José Eduardo Dos Santos persuaded seven African heads of state to endorse his peace plan.<sup>9</sup>

President Mobutu Sese Seko of Zaire then orchestrated a summit of 19 African leaders on June 22, 1989, at his hometown of Gbadolite. Mobutu was selected as the mediator because he was perceived to be on relatively cordial terms with the three main actors, the United States, the MPLA and UNITA. After much behind-the-scenes negotiation, President Dos Santos and Savimbi shook hands publicly and endorsed the "Gbadolite Declaration." The official text of that declaration called for a cease-fire to go into effect on June 24, and for the "establishment of a commission responsible for preparing the implementation of this national reconciliation plan."<sup>10</sup>

### **THE AGREEMENT COLLAPSES**

No sooner was the ink dry on the Gbadolite Declaration than its contents were disputed. The MPLA claimed that, in addition to the official text, Savimbi had verbally agreed to recognize the current laws and constitution of Angola; to accept a two-year term of "voluntary exile"; to permit the in-

tegration of his followers into the existing Angolan political system; and to accept an end to United States aid.<sup>11</sup> UNITA replied that Savimbi had agreed only to the written text and emphatically stated, "Savimbi will . . . reside in Angola in the transitional period."<sup>12</sup>

The confusion was partly President Mobutu's fault. He had been expected to travel to Washington, D.C., immediately after the summit, and wanted to arrive with a Dos Santos-Savimbi deal in hand, hoping that gratitude for his successful mediation would result in greater United States flexibility during aid negotiations. During the Gbadolite meeting, Mobutu had talked to the Angolan parties separately, in the words of one analyst, "giving each his interpretation of what the other had accepted."<sup>13</sup> By exaggerating the concessions made by each side and keeping the terms vague, he was able to win "agreement" in time for his trip to the United States.

Evidence also suggests that Savimbi did indeed agree to at least some of the verbal concessions claimed by the MPLA, but that when he returned to his Jamba headquarters harder-line colleagues convinced him to disown those concessions.<sup>14</sup>

Whatever the truth, the Gbadolite Declaration swiftly unraveled. In late July, the MPLA agreed to a redrafted cease-fire document that UNITA then discussed with Mobutu, but rejected.<sup>15</sup> By August, the MPLA was accusing UNITA of increasing its military operations throughout Angola.<sup>16</sup>

Seven African heads of state, including Mobutu, met in Harare, Zimbabwe, on August 22, 1989, to try to resuscitate the peace plan. Savimbi did not attend. The Harare summit endorsed the MPLA's definition of the Gbadolite Declaration and called for another round of negotiations on September 19 in Zaire.<sup>17</sup> Savimbi was furious, and on August 24 he called off the two-month-old cease-fire and an-

<sup>11</sup>"Zaire Summit: Agreement on Cease-Fire Reported Between Angolan Government and UNITA," *SWB*, June 24, 1989; "Angolan Commentary on Gbadolite Summit," *SWB*, June 27, 1989.

<sup>12</sup>"Immediate Press Release," *UNITA*, June 30, 1989.

<sup>13</sup>Reed Kramer, "Lobby Gets Results from Savimbi," *Africa News*, November, 1989.

<sup>14</sup>Interview with Zambian diplomat, Switzerland, August, 1989.

<sup>15</sup>"Angola Government 'Fully Agrees' with Mobutu Document on Cease-Fire," *SWB*, July 26, 1989.

<sup>16</sup>"Angola Defence Minister Issues Statement on UNITA Offensive," *SWB*, August 8, 1989.

<sup>17</sup>"Final Communiqué," Permanent Mission of the People's Republic of Angola to the United Nations, Press Release, August 25, 1989.

<sup>18</sup>"United States Falters," *Washington Post*, September 25, 1989.

<sup>19</sup>Press Release distributed after the Kinshasa Summit, as reprinted by the Permanent Mission of the People's Republic of Angola to the United Nations, September 19, 1989.

nounced that he would not attend the September talks in Kinshasa. The peace process was, in the words of a South African diplomat following it closely, "virtually back to square one." A senior United States official similarly conceded, "I don't know what the next step is myself."<sup>18</sup>

United States policy, or the lack thereof, also contributed to the disintegration of the Gbadolite initiative. Because the Bush administration wanted to avoid high-profile, risky diplomacy, it had backed away from the mediation role and had urged Mobutu to take on that responsibility. Without United States diplomats on the scene, Mobutu's ambition to be heralded as the "Angolan peacemaker" affected his mediation style, with disastrous results.

Cohen's subsequent efforts to rescue the peace process were similarly constrained by the Bush administration's sensitivity to conservative domestic opinion; they were not only ineffective, but inadvertently strengthened the hands of hard-liners in the MPLA and convinced Savimbi he could remain intransigent.

The United States was anxious to make sure that Savimbi attended the September 19 negotiations in Kinshasa, and Cohen himself met Savimbi in the Ivory Coast to urge him to attend. While Cohen was abroad, a UNITA public relations adviser allegedly told the State Department that Savimbi would attend the summit if the Bush administration endorsed Savimbi's call for "free and fair" elections and rejected the Angolan government's demand for his exile. Sensitive to pressure from important sectors of the conservative community (which supported the recommendation), the State Department issued a statement on September 17, calling for free and fair elections in Angola.

At first the tactic appeared to have influenced UNITA, and Cohen left Savimbi confident that the guerrilla leader would attend the Kinshasa summit. When the summit actually began, however, Savimbi stayed away. In his absence, the African leaders in Kinshasa simply restated their version of the Gbadolite Declaration and drew up a new document to that effect, hoping that Savimbi would sign.<sup>19</sup> Not surprisingly, Savimbi refused.

Instead, he sought a mandate for a new negotiating position from UNITA's Extraordinary Congress, held in late September. The congress endorsed a five-point peace plan that included direct talks with the government under a cease-fire, the

(Continued on page 234)

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*"In the 1990's, the Mozambican government will probably find it even more difficult to enjoy political stability and maintain order. . . . Even if the peace initiative is successful in ending the war, Mozambique needs more than \$1 billion per year in foreign assistance to revive its economy."*

## Economic Crisis in Mozambique

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**I**N 1989, Mozambique continued to be squeezed by two major forces: the South African-backed Resistência Nacional Moçambicana (Mozambican National Resistance), Renamo, and the pressing demands of the International Monetary Fund (IMF) for further economic reforms. Renamo kept up its war against Mozambique, maintaining the high level of destruction and terrorism of previous years. But there was a major change directly related to alterations in the geopolitics of the region. President Mobuto Sese Seko of Zaire and President Daniel arap Moi of Kenya, longtime allies of the United States, were introduced as mediators in the Angolan and Mozambican conflicts, respectively. By the end of the year, there were new movements toward ending the warfare, which has ravaged not only Mozambique but the whole region.

The disastrous effects of the Mozambican war were compounded by international economic pressures and Mozambican government concessions. Since the ruling Frente de Libertação de Moçambique (Front for the Liberation of Mozambique), Frelimo, adopted an IMF-sponsored structural adjustment program in 1987, its control over the economy has been substantially reduced; the IMF, the World Bank and other Western international financial institutions are increasingly directing economic policy. These two external forces—the war and the structural adjustment program—have eroded the Frelimo government's options for self-determination.

The economic crisis is largely a result of Renamo's widening war against the Frelimo government. Since 1980, when South Africa inherited Renamo from Rhodesia, Mozambique's economic difficulties have been intensified by escalating military destabilization.<sup>1</sup> Under South African sponsorship, Renamo was transformed from a

<sup>1</sup>For a discussion of the history of Renamo, see Allen Isaacman, "Mozambique and the Regional Conflict in Southern Africa," *Current History*, vol. 86, no. 520 (May, 1987), pp. 213-216.

<sup>2</sup>Otto Roesch, "Economic Reform in Mozambique: Notes on Stabilization, War and Class Formation," *Taamuli*, vol. 1, no. 1 (forthcoming, 1990).

minor inconvenience into a major instrument of economic sabotage and terror, especially in rural areas. Economic infrastructure and civilians were targeted in an effort to destroy the economy, civil society and the state's ability to serve and protect its citizens. By 1983, the war had become an even more serious drain on the country's limited economic resources.

Mistakes and shortcomings in the Frelimo government's policies contributed to Mozambique's economic decline. From 1975 to 1983, the newly independent government pursued a socialist strategy of development based on large-scale, centrally planned, capital-intensive and import-dependent development projects both in industry and agriculture. The state sector received the preponderant share of investment; few resources were channeled to peasant family, private and cooperative sectors of the economy. The government's policies proved inappropriate to the prevailing economic conditions and consequently failed to halt the economic decline that followed the collapse of the colonial economy after independence in 1975.

The Frelimo fourth party congress reforms of 1983 attempted to correct the errors of previous government economic policies. A new emphasis was placed on decentralized, market-oriented, small-scale projects. In agriculture, the state sector was reduced and reorganized with state farmland distributed to peasants and private farmers. Subsequently, in response to the congress decisions, the Mozambican government began to implement a program of reforms predicated on four main policy and institutional changes: regional prioritization, administrative decentralization, liberalization of commercial activity, and allocation of resources on the basis of economic pragmatism rather than ideology.<sup>2</sup> By turning to a more market-oriented economic strategy, Frelimo hoped to correct the economic imbalance that had resulted from past policy mistakes.

In the years following the fourth congress, however, South African destabilization undermined Frelimo's efforts to implement these reforms. South

Africa continued to support Renamo in spite of the 1984 Nkomati Accord, which required each country to prevent its territory from being used as a base for attacks on the other. To halt the deepening economic crisis fostered by South African destabilization and to obtain desperately needed Western foreign aid and credit, Mozambique joined the IMF and the World Bank in 1984 and adopted a structural adjustment program known as the Programa de Reabilitação Económica (Economic Rehabilitation Program), PRE, in 1987. The PRE contained the typical salient features of other IMF austerity programs including the expansion of market forces, easy access to capital for the private sector; dramatic devaluations of the national currency, emphasis on fiscal responsibility, and cuts in the civil service, government subsidies and social services. It demanded further sacrifices from an already war-weary population at a time when the continuing war negated any possible recovery effects of economic reforms.

At the fifth party congress, held from July 24 to July 30, 1989, Frelimo responded politically to the war and the economic crisis. For President Joaquim Alberto Chissano, the challenge was to win the congress's support for his peace initiatives with Renamo. Just one week before the congress, senior Mozambican Catholic and Anglican church leaders met with Renamo officials in the Kenyan capital of Nairobi, where they presented Frelimo's position paper on ending the war. The Mozambican government hoped that the document would lead to the beginning of earnest negotiations and a peaceful political solution for the war-torn country.

## FIFTH PARTY CONGRESS

Like previous congresses, the fifth party congress was preceded by a lengthy preparatory period. Seven draft theses on the main socioeconomic and political issues to be discussed at the congress were launched in November, 1988. The theses were widely circulated and discussed in the workplaces, urban districts and villages throughout most of the country; they provided an important channel for mass popular input into the proceedings of the congress. During the week of pre-congress deliberations in Maputo, the provincial delegates engaged in frank debates on the war, the economy, abuses of power and corruption.<sup>3</sup>

Frelimo members did not sustain the critical debates at the congress itself but instead shifted their focus to the issue of peace. A week before the congress opened, President Chissano announced at a

press conference that religious leaders were in Kenya to discuss conditions for ending the war with Renamo leaders. At the final session of the congress, the delegates accepted unanimously a resolution on peace and unity that promoted a "peace, but not at any price."

Although the party delegates concentrated primarily on the issue of peace, they adopted far-reaching policy changes and programs that departed from earlier positions. This congress marked a decisive turning away from Marxism-Leninism as a governing ideology. Frelimo announced that it was no longer a Marxist-Leninist party, as it had declared earlier at the third congress in 1977, but the party of the Mozambican people. Senior party leaders indicated that they had made a strategic error in declaring themselves to be a Marxist-Leninist party "without the necessary preconditions being in place."<sup>4</sup> Membership in the party was to be extended to property owners, religious believers and polygamists.

The elimination of all references to Marxism-Leninism in the congress documents and the opening of party membership may be viewed positively for several reasons. First, Frelimo had failed to find new and creative ways to interpret Marxism-Leninism in the Mozambican context, relying instead on slogans and set formulas. Second, given Renamo's success in gaining support from many of the traditional chiefs who commonly practiced polygamy and were ignored or discredited by Frelimo, the opening of party membership curtailed Renamo converts. Third, Renamo leaders and international supporters, especially the well-organized lobby group in the United States, had tried to persuade Western governments to support the "anti-Communist" Renamo fighters instead of supporting the "Marxist" government of Mozambique. Following Frelimo's decision to be a mass party, the administration of President George Bush withdrew Mozambique from its list of Marxist-Leninist states; this action led to more American and Western aid for Mozambique and undermined Renamo's position further.

At the congress, restrictions limiting the number of wage laborers that party members could employ on their farms were removed, with the explanation that party members should lead the drive for increased food production. In the past, a Frelimo member was permitted to employ only three laborers. Yet outside the congress, civilians questioned whether the policy change simply gave legal recognition to party members who already owned large farms and employed many workers.

The actual programs and policies adopted by Frelimo indicated a shift away from its previous commitment to "people's power" to a legitimization

<sup>3</sup>For an analysis of the pre-congress debates, see Judith Marshall, "On the Ropes: Socialism and Frelimo's 5th Congress," *Southern Africa Report*, vol. 5, no. 2 (1989), pp. 4-9.

<sup>4</sup>Ibid., p. 7.

and consolidation of existing privileged social groups. The congress reintroduced private education, private tutoring and community schools. This allowed those with money to provide quality education for their children, while the poor would continue to attend underfinanced and understaffed state schools. Similarly, new housing policies were introduced that removed the state's monopoly on rental units and new construction. While the Administração do Parque Imobiliário do Estado (State Housing Authority), APIE, has a reputation for inefficiency, the newly proposed specialized public or joint-venture companies will probably lead to upgraded housing in the urban areas, leaving the already shabby shantytowns in the suburbs to deteriorate further. Health was one of the few areas where the previous state commitment to popular needs was maintained despite pressure for privatization. But special services, like luxury accommodations, treatment in hospitals, and house calls by Mozambican doctors, were to be established in urban centers to serve affluent patients.

The social and economic directives approved by the congress reaffirmed that priority would continue to be given to agriculture, particularly to the peasant family and cooperative sectors. The final document suggested more detailed programs to support peasants and cooperatives through the establishment of specialized bodies at the district level. State farms remained important, but the directives indicated that they were to be oriented toward export production. Large private farms, both Mozambican and foreign-owned, were also to concentrate on export crops.

In the end, the fifth party congress returned to a broad nationalist strategy for ending the war, and pledged to reconstruct the economy and society. In the face of strong criticism of corruption in high places, few changes were made in the Politburo and the Central Committee. The 11-member Politburo added 1 member, and the membership of the Central Committee was increased from 130 to 160.

Since the congress, President Chissano has argued against a multiparty political system, believing that national unity is central and that a multiparty system would create a potentially divisive power struggle. The question of a multiparty versus a single-party system is to be debated nationally in 1990 during discussions on constitutional changes. Another issue on the agenda is the separation of party and state posts. Under the current constitution, the president of the Frelimo party is automat-

ically the head of state. General and presidential elections will be held in 1991.

## PEACE NEGOTIATIONS INITIATED

The beginning of the end of Mozambique's 14-year-old war was finally in sight. An on-and-off peace process was put on the agenda again, with exploratory talks between Mozambican religious leaders and a delegation of Renamo rebels. Senior Mozambican church officials presented a 12-point position paper (drawn up by Frelimo's Politburo) to Renamo leaders in Kenya on July 17, 1989. The so-called non-paper marked a major turning point in negotiations. Although Frelimo ruled out negotiations over power, the document stated that if Renamo agreed to several conditions, there could be "a dialogue about the ways to end the violence, establish peace and normalize the life for everyone in the country."<sup>5</sup> To reach that point, however, Renamo had to renounce violence and adhere to constitutional rule. The document stated that the government was committed to opening the political system and to guaranteeing the right of all Mozambicans, including the rebels, to participate in politics.<sup>6</sup>

The international community, including the United States government, responded with overwhelming diplomatic support for President Chissano's peace initiative. In a 16-page response, Renamo accepted the government's main conditions for talks but put forth its own preconditions for dialogue: the withdrawal of Zimbabwean troops, recognition of Renamo as a legitimate political movement, and the establishment of a multiparty system. Despite the differences between the two positions, representatives of Frelimo and Renamo have continued discussions.

Near the end of 1989, Zimbabwean President Robert Mugabe and Kenyan President Daniel arap Moi, mediators in the search for peace since July, announced that progress was being made but did not give any further information. Meanwhile, President Chissano has publicly reaffirmed his government's rejection of any suggestion that there should be direct bargaining with the Renamo leadership about the country's constitutional future or acceptance of the rebel group as a legitimate political force. The United States government, acknowledging Frelimo's political concessions and economic adjustments over the past three years, has not pressured the Mozambican government to recognize Renamo formally. The process of ending the war through dialogue will apparently be protracted.

As political negotiations continued, the Forças Armadas de Moçambique (Mozambican Armed Forces), FAM, stepped up its military operations against Renamo, but with less success. The last ma-

<sup>5</sup>Mozambique Information Agency, "Mozambican Government's Principles for Dialogue," *Mozambiquefile*, no. 157 (1989), p. 4.

<sup>6</sup>"Mozambique: Time to Talk," *Africa Confidential*, vol. 30, no. 3 (1989), p. 1.

jor counteroffensive took place in mid-July, 1989, when joint Mozambican and Zimbabwean forces overran the headquarters of Renamo in Sofala province. The Soviet Union was still providing most of Mozambique's military training and supplies. But in 1989, it was announced that the Soviet Union would reduce the number of its military advisers in Mozambique by one-third. This was to be matched, however, by an increased provision of hardware. Mozambique also obtained substantial military aid from Zimbabwe and, to a lesser extent, from Malawi. In addition, Mozambique received military training and nonlethal supplies from a growing number of Western countries including Great Britain, Portugal, France, Italy and Spain. A number of Western donors, including the European Community, were willing to provide funds to support security forces for specific aid projects.

## FIGHTING CONTINUES

The war situation has deteriorated because of the weakness of the military and the terrorist tactics employed by Renamo. The Mozambican army, transformed after independence into a more conventional military force during the struggle for Zimbabwean independence, has had a difficult time adapting to fighting a counterinsurgency war. The situation has led to a growing reliance on the more effective armed forces from neighboring Zimbabwe. It is estimated that there are currently 12,000 Zimbabwean troops stationed along the Beira Corridor in central Mozambique and the Limpopo Corridor, the southern transport route that links Zimbabwe to the port of Maputo. Since 1987, approximately 400 Malawian troops have defended the railway line from Malawi to the port of Nacala. Additionally, private security companies based in Western countries have been training Mozambican squads to defend particular economic projects.<sup>7</sup>

The internal situation of the Mozambican army remains critical, beset by poor discipline, low morale, inept leadership and corruption. The reorganization of the army initiated in July, 1987, was a failure. Generational conflict emerged, based on accusations made by many of the younger officers that the old generals—several of whom had fought

<sup>7</sup>Economist Intelligence Unit, *Mozambique Country Report, 1989-1990* (London), 1989, p. 5.

<sup>8</sup>*Africa Confidential*, op cit., p. 2.

<sup>9</sup>Robert Gersony, *Summary of Mozambican Refugee Accounts of Principally Conflict-Related Experience in Mozambique: Report Submitted to Ambassador Jonathan Moore and Dr. Chester A. Crocker* (Washington, D.C.: Department of State Bureau for Refugee Programs, 1988); William Minter, *The Mozambican National Resistance (Renamo) as Described by Ex-Participants: Research Report Submitted to Ford Foundation and Swedish International Development Agency* (New York: Ford Foundation and SIDA, 1989).

in the struggle for national liberation—were incompetent. And there was a conflict between the corrupt commanders, who used their military position to profit from the war, and the Frelimo troops who struggled in the bush with severe shortages of food, uniform and equipment.<sup>8</sup> The failure to provide soldiers with basic living necessities and delays in paying their salaries have occasionally led them to take what they need from the local population. Such criminal actions have damaged the image of the army. The frequent arbitrary recruitment of young men and the difficulty of leaving the army once soldiers completed their required two years of military service have exacerbated discipline problems and contributed to low morale in the FAM. On several occasions, the government has acknowledged the internal problems plaguing the military, but it has failed to find solutions.

In addition to the FAM's internal problems, Renamo's tactics have made it very difficult for the army to fight a winning war. Renamo's targets have included civilian inhabitants of villages and towns (e.g., teachers, medical personnel, foreign aid workers, church officials and peasants), and strategic economic infrastructure (e.g., transportation routes, electricity lines, health and education facilities, communal villages and development projects). The surrogate group has not tried to hold territory and transform areas into "liberated zones" similar to the ones Frelimo established during its 10-year war of independence against Portuguese colonialism. Instead, Renamo's main objective has been to spread terrorism and destruction without support from the population.

Two studies, one by United States Department of State consultant Robert Gersony in 1988 and the other by Georgetown University researcher William Minter in 1989, carefully investigated the structure, politics and support of Renamo.<sup>9</sup> The studies were based on interviews with refugees, escapees and ex-Renamo rebels who accepted Frelimo's unconditional amnesty program. It was clear from their data that Renamo lacked political ideas, programs and related internal cohesion.

Typically, Renamo has resorted to kidnapping its recruits and then coercing them to participate in acts of destabilization. Although it has not built any meaningful social base, the rebel group benefited from Frelimo's policy errors that led to the indif-

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# BOOK REVIEWS

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## ON SUB-SAHARAN AFRICA

AMERICAN ENTERPRISE IN SOUTH AFRICA: HISTORICAL DIMENSIONS OF ENGAGEMENT AND DISENGAGEMENT. *By Richard W. Hull.* (New York: New York University Press, 1990. 360 pages, appendix, bibliography and index, \$40.00.)

From the earliest period of American history, Americans have engaged in commercial and other enterprises in southern Africa. This examination of the role of American entrepreneurs in South Africa and its environs tells a fascinating story of the traders, missionaries, educators and social workers who left one "new world" for another and contributed to the South African political dynamic. The cycles of their involvement were influenced by events at home, as well as by policies in South Africa and in England. But from the very beginning, the relationship between Americans and South Africans has "been characterized by certain degrees of ambivalence and inconsistency."

With its rich historical detail, *American Enterprise in South Africa* injects some needed perspective into contemporary United States relations with South Africa. Although the United States was not a world power during the early period of their relationship, America's business enterprise and talent for technology greatly influenced South Africa's economy. The extent of American involvement was particularly striking during the formative years of South African industry in the mid-1800's. Yet even with this long intimacy, the author laments, the United States has "yet to develop a consistent, coherent, or realistic" policy with respect to South Africa's political dilemmas.

Debra E. Soled

THE UNITED STATES AND SOUTH AFRICA: THE REAGAN YEARS. *By Pauline H. Baker.* (New York: Ford Foundation-Foreign Policy Association, 1989. 152 pages, appendices and index, \$9.95.)

In this brief discussion of United States policy toward South Africa, the policies of the administration of President Ronald Reagan stand out as different from those of his predecessors. Although the goals of opposing apartheid and encouraging peaceful change were the same, the policy called "constructive engagement" represented a break with the past, "stressing common

strategic interests, empathizing with white fears, and utilizing a unilateral rather than a multilateral approach." During the second Reagan administration, the strategy came to be regarded as a failure; none of its goals were accomplished and the South African situation became more volatile than ever. This discussion of the rise and fall of constructive engagement blames its failure on the misperceptions of a few individuals, most prominently Assistant Secretary of State for African Affairs Chester Crocker.

But the author finds that some benefits came out of this policy fiasco. The American public's consciousness has been raised, she believes, and Americans can no longer regard South Africa and its racial dilemmas as remote, divorced from their own ambivalent attitudes on race relations. She concludes, "Many Americans now . . . feel that the position the United States takes on South Africa reflects America's most basic values. In this sense U.S. relations with South Africa have crossed a new threshold."

D.E.S.

CUBAN INTERNATIONALISM IN SUB-SAHARAN AFRICA. *Edited by Sergio Díaz-Briquets.* (Pittsburgh: Duquesne University Press, 1989. 177 pages, appendix and notes, \$32.50, cloth; \$18.95, paper.)

Published shortly after Cuba, Angola and South Africa signed the 1988 tripartite accords, *Cuban Internationalism in Sub-Saharan Africa* provides a broad evaluation of Cuba's role in southern Africa. In spite of Cuba's commitment to withdraw from Angola, other interests may prolong Cuba's presence in the region. The essays in this collection by authors including Jeffrey Herbst, Olga Nazario, Gillian Gunn, and William Ratliff cover a broad range of Cuban activities. The changing strategic environment in Africa as a consequence of priority shifts in the Soviet Union may have an impact on Cuba's adventurism; without Soviet backing, Cuban military involvement in Africa's many civil wars will be problematic.

Moreover, Cuba has restated its allegiance to a socialism that many countries are now abandoning. As these essays demonstrate, however, Cuba cannot be counted out as a player in the region because of the friendships and alliances it has forged over the years with many African countries.

D.E.S. ■

**KENYA***(Continued from page 212)*

the costs of transportation and processing had been deducted. The corresponding figures for Kenya's principal food crops, maize, rice and wheat, were 0.61, 0.45 and 0.95 respectively.

The consistently high average producer prices paid to the growers of Kenya's major agricultural exports provide a concrete indicator of the deep commitment of Kenya's political leaders to maintaining adequate price incentives for agricultural exports and of their commitment to the economic principle of comparative advantage. The NPC patterns for Kenya's principal food crops do not show any unambiguously clear pattern. If any single tendency is discernible, it is the government's efforts, during the mid-1980's, to improve the production incentives for food grains to a level commensurate with those for agricultural exports.

The economic performance of a primarily agricultural country like Kenya depends ultimately on a wide variety of policy factors in addition to its land policy, its management of exchange rates and the pattern of its producer pricing. These range from highly tangible considerations like the government's program of agricultural research and the repair and maintenance of physical infrastructure (roads and storage facilities) to intangibles like the underlying popularity of a government and its ability to foster an atmosphere of long-term economic confidence on the part of the rural population. Doubts about Kenya's economic future are difficult to evaluate because they tend to revolve as much around these intangible factors as around the specific agricultural policies of the Moi government.

**WILL THE MIRACLE CONTINUE?**

To assess Kenya's future prospects, it is important to understand that the inauguration of President Moi in the fall of 1978 led to fundamental changes in the regional, ethnic and economic basis of the Kenyan power structure. Whereas the principal support of the Kenyatta government came from the Kikuyu people in the highlands of the Central province immediately north and west of the city of Nairobi, the Moi government's support comes from the Kalenjin people who inhabit the Rift Valley province, an immense and irregularly shaped region west of Nairobi that runs from Kenya's northern border with Ethiopia to its southern border with Tanzania.

<sup>8</sup>Bates, op cit., pp. 147ff.

<sup>9</sup>Much information on this subject can be found in Nicholas Nyangira, "Ethnicity, Class and Politics in Kenya," in *The Political Economy of Kenya*, Michael G. Schatzberg, ed. (New York: Praeger Publishers, 1987).

The most important change, however, lies in the economic interests of the dominant political coalition. Whereas the Kenyatta government had its economic roots among the country's export-oriented coffee farmers, the Moi administration finds its primary support among the country's grain growers. Its particular interest has been to stimulate the growth of a Kenyan wheat industry in the hitherto less developed portions of the Rift Valley. In the concluding chapter of his highly provocative book on Kenya, Robert Bates has suggested that the central difference between the political orientation of a government based on export crop production and the orientation of a government based on grain cultivation is that the former emphasizes the accumulation of economic wealth while the latter stresses the redistribution of wealth.<sup>8</sup>

In this connection, it is useful to remember that President Moi began his political career in the early 1960's as one of the leaders of a short-lived second political party, the Kenya African Democratic Union (KADU) that merged with KANU in November, 1964. It is impossible in a brief article to describe all the differences between KADU and KANU. However, the most relevant difference, from the standpoint of contemporary Kenyan politics, is that KADU, supported by a wide assortment of Kenya's smaller ethnic groups like the Masai, Nandi, Kipsigi, Miji-Kenda and Luhya, was fundamentally a loose coalition of Kenya's ethnic have-nots who were opposed to the exclusive political domination of the country by the ethnic haves, principally the Kikuyu.<sup>9</sup>

Moi's early role as a spokesman for the ethnically and regionally less privileged segments of Kenyan society explains the changes he has tried to introduce into the country's economic system. The most important question is whether or not Kenya's agricultural policy will continue to be guided by the principle of modified comparative advantage that was pursued by the Kenyatta administration. Moi's administration has tried to qualify the principle of comparative advantage by introducing a greater emphasis on food self-sufficiency, especially in the production of grains.

This change, which appears on the surface to involve an almost arcane debate between competing economic theories, in fact strikes at the root of the ethnic-regional-class basis of Kenyan politics. The principle of comparative advantage was the economic strategy of the Kikuyu coffee-growing elite that dominated the country during the Kenyatta era. It provided a compelling economic rationale for agricultural policies that delivered the greater share of the country's agro-economic resources and inputs to the wealthier, export-oriented farmers of the Central province. Since many of these farmers were

actually producing a combination of coffee for export and maize for domestic consumption, Kenya's particular version of comparative advantage was qualified to the extent that it stressed the value of self-sufficiency in maize, the country's major food staple.<sup>10</sup>

The principle of food self-sufficiency, on the other hand, offers an economic rationale that provides policy benefits for other ethnic and regional groups in Kenya; namely, elements of the old KADU coalition. Thus it is the preferred strategy of the ethnic and regional groups that have been historically less privileged. The goal of food self-sufficiency has been applied especially to wheat production. Its most direct beneficiaries have been the wheat growers of the Rift Valley, especially the members of the President's own ethnic community, the Kalenjin.<sup>11</sup> But a shift of the government's economic resources toward wheat production also provides innumerable spinoff benefits for other economic groups in the wheat-growing regions. These include the businesses that provide transportation, storage and input services to wheat farmers as well as the construction, manufacturing and retail businesses that benefit from the growing economic boom in the wheat-growing areas.

Whatever the political motivation of the Moi administration, the economic validity of its policy shift will have an enormous effect on Kenya's future. Supporters of the Moi administration argue that Kenya had to seek dramatic increases in domestic wheat production. In their view, Kenya was becoming the victim of its own economic success.

Between the mid-1970's and the mid-1980's, Kenya's expenditures on food imports had soared, increasing from about 6 percent of total imports to almost 12 percent of total imports by value.<sup>12</sup> Much of this increase was caused by growing urban affluence and the strong preference of urban consumers for wheat-based products instead of maize. Kenya's wheat imports had begun to rise dramatically during this period and, by the mid-1980's, wheat imports were averaging more than 225,000 metric tons a year, at a cost of about \$30 million-\$35 million.

Proponents of the grain self-sufficiency strategy argue that, because the cost of food imports has been rising precipitously, the net effect of increased

<sup>10</sup>For an official statement of this strategy, see Republic of Kenya, *Sessional Paper No. 4 of 1981 on National Food Policy* (Nairobi: Government Printer, 1981).

<sup>11</sup>The term Kalenjin does not denote a single ethnic group but, rather, a number of ethnic groups loosely clustered under the generic term "nilo-hamitic." These include, for example, the Nandi, Kipsigi and Elgeyo. Moi is himself a member of the Tugen subgroup of the Kalenjin.

<sup>12</sup>Figures supplied by the United States Department of Agriculture.

grain production would be a considerable savings in foreign exchange through a higher and higher annual savings on grain imports. By increasing grain production, they argue, Kenya would free many millions of dollars per year in hard currency for further agricultural and industrial investment and to help finance badly needed imports for the country's educational and medical services. They also claim that funds spent on imports have few, if any, secondary benefits, whereas funds invested in additional grain production generate jobs for thousands of workers in infrastructural development, transportation, and the provision of rural services.

Critics of the Moi administration believe that the new emphasis on grain production, especially wheat, is a political decision and has little economic justification. In their view, the arguments for a comparative advantage approach remain as strong as ever. They observe that Kenya continues to be an inefficient producer of grains, a factor that, by itself, helps explain why the government has been forced to raise producer prices for wheat above world price levels to stimulate production. Moreover, they point out, grain production is foreign-exchange-intensive; witness the cost of imported energy, transportation equipment and the need for costly chemical inputs like herbicides and fertilizers. As a result, the hard currency costs alone of producing grains like wheat and rice may well exceed their world market price. In sum, critics say, the effort to increase grain production will result in increasing foreign exchange costs, not savings, and this tendency will constrain, not augment, the resources available for investment in other sectors.

Critics of the Moi administration reserve their harshest observations for the political effects of the government's shift of development emphasis. Coffee and tea production has been the backbone of Kenya's emergence as an African economic miracle. This achievement was not based only on favorable exchange rate and pricing policies, but on the development of a network of associations and organizations that performed vitally important functions for the country's export-oriented farmers. These included organizations like the Kenya Farmers Association (KFA), the Kenya Coffee Growers Association (KCGA) and the Kenya Planters Cooperative Union (KPCU). They served as interest groups representing the economic interests of farmers and cooperative organizations delivering vitally important services and inputs. Most important, over time, they developed comfortable and effective working relationships with important personnel in the Kenyan bureaucracy and political system.

During the past five years, there has been evidence that the Moi administration has tried to in-

terfere with this complex and highly successful network and, in so doing, that it may have fostered an increasingly adversarial relationship with the export farmers of the Central province. In 1985, for example, the KFA was banned and replaced by a new government-sponsored organization, the Kenya Grain Growers Cooperative Union (KGGCU) that has much greater representation from the Rift Valley. During the late 1980's, there were constant allegations of government interference in the internal operations of the KPCU.<sup>13</sup> These allegations focused principally on government efforts to replace popular and long-standing leaders with individuals more amenable to the government's determination to allocate more of the country's agricultural expenditures to the Rift Valley province.

The result of the government's intervention in Kenya's agricultural organizations has been demoralization among the coffee growers of the Central province. The extent of demoralization is uncertain, however, because some farmers accept the Moi administration's agricultural policies at face value as a genuine attempt to increase the government's support for the smallholder farmer. Disaffection in the Central province may also be rooted in the political displacement of large-scale Kikuyu farmers, who form the core component of the Kenyan governing elite.

At present, there is no persuasive evidence that the strained relationship between the Moi administration and large-scale farming interests in the Central province has had an appreciable effect on production. Coffee production, for example, while by no means subject to the soaring gains of the 1960's and 1970's, continued to register modest, if irregular, gains during the mid- to late 1980's. If there is stagnation in this industry, moreover, it may be related as much to the precipitous decline of world coffee prices (due to the collapse of the International Coffee Organization [ICO] in the summer of 1989) as to government interference with the internal mechanics of Kenya's coffee system.

The agricultural changes being implemented by the Moi administration have given rise to a peculiarly bipolar opposition. On the one hand, there is a somewhat radicalized left, whose historical roots date back to the "Poverty" movement of the 1970's and the "Kenya" movement of the 1980's. Its principal criticism is the fact that the Moi administration has maintained the essential capitalist framework set in place by Kenyatta in the early 1960's. According to its leaders, the Moi government's claims to represent the interests of small-

holder farmers are mere sham; President Moi has simply moved the benefits of political power to a different group of business entrepreneurs. The political efforts of the Kenyan left have been decisively weakened by the fact that some of its most vocal leaders have been imprisoned while others operate from political exile in London or in the Scandinavian countries.

At the opposite side of the political spectrum, Moi has been criticized by conservatives who condemn his government for interfering with the system of applied comparative advantage that made Kenyan agriculture great. Kenyans who hold this view are concerned that Moi's efforts to broaden the regional distribution of wealth and opportunity in Kenya will not only undermine the growth of the agricultural sector directly but will also act indirectly, by reducing the performance of Kenya's highly competent and efficient agricultural bureaucracy.

Kenya's economic conservatives, however, will find it difficult to mount a major challenge to the Moi administration. Kenya has continued to enjoy a high rate of economic growth despite wrenching agricultural changes, and the prosperous farmers who espouse economic conservatism will find it difficult to generate a groundswell of social support among Kenya's rank-and-file farmer population.

## ZIMBABWE

(Continued from page 204)

gumbo, the third highest ranking member of the Politburo; Minister of State for Political Affairs Frederick Shava; Minister of Higher Education Dzingai Mutumbuku; Minister of Defense Enos Nkala; and Minister of Industry and Technology Callistus Ndlovu. Nyagumbo committed suicide by poison. The attorney general prosecuted Shava for perjury but Mugabe intervened and pardoned him. The attorney general then announced that he would not bother to charge the others because the President might again set aside the convictions.

The pardoning of Shava took the edge off the public esteem that Mugabe had built up by appointing the commission and by its performance. The commission hearings had been held in public for the most part and the galleries were packed daily. The openness of the process seemed to clear the air and quiet some of the whirling rumors. The commission hearings had also dulled the students' accusations and those of the political opposition.

But antagonism between the students and the government continued throughout 1989. Police made several forays onto the campus; they broke up political meetings, assaulted students and hurled teargas into dormitories where students had sought refuge. Following a student demonstration in Sep-

<sup>13</sup>These developments were reported regularly in the *Financial Review*, Kenya's highly prestigious economic journal that was banned in April, 1989.

tember, 1989, officials closed the university in October and it remained closed for nearly seven months. Students were detained and accused of writing and publishing a subversive document. Police detained Morgan Tsvangirai, secretary general of the Zimbabwe Congress of Trade Unions, because he wrote a letter supporting the students. Eleven members of the opposition political party, the Zimbabwe Unity Movement (ZUM), were also detained; others went into hiding.

Three weeks later, the High Court ordered bail to be set for the students, overruling a ministerial order denying bail. The High Court also ordered the release of Tsvangirai, who had been charged with being an agent for the South African government. The Central Intelligence Organization issued new detention orders, violating the law that re-detention cannot be ordered within 180 days on the same charges. The court again ordered his release but he was detained for the third time. On November 15 he was quietly released.

## ELECTIONS

At the time of this writing, parliamentary elections were scheduled for the third week of March. ZANU PF was expected to win solidly throughout the country. But there are pockets of discontent. In October, 1988, Edward Tekere, once a close associate of Mugabe's and former secretary general of ZANU PF, was expelled from the party because of his outspoken criticisms of a one-party state. In April, 1989, Tekere formed a new political party, the Zimbabwe Unity Movement. Unlike the students and labor leaders who were critical of the shift away from socialism, Tekere's group took a pro-capitalist line, advocating less government control, decision-making restored to the chiefs, separation of party and state, multiparty democracy, withdrawal of Zimbabwean troops from Mozambique, a private and independent press and liberalized trade.

Although Tekere and his party articulate some of the dissatisfactions of the average person, many individuals are wary of him and fearful of renewed political violence. The 13-year-old guerrilla war ended only 10 years ago. Violence in Matabeleland continued until late 1987, when political unity was established.

During the war for independence, the two nationalist groups, ZANU and ZAPU (the Zimbabwe African People's Union headed by Joshua Nkomo), had their own armies. In 1980, the armies were integrated into a national force. But political unity was elusive. When arms caches were found on farms owned by ZAPU, Mugabe dismissed Joshua Nkomo from the Cabinet. Police detained ZAPU's top military leaders, Lookout Masuku and Dumiso

Dabengwa, despite a court ruling acquitting them of concealing arms. Former ZAPU fighters went underground and began operating against army troops and white farmers in the southwestern part of the country. The confrontation escalated.

After seven years of political wrangling and guerrilla warfare in the south, the two parties agreed to merge in December, 1987. Dumiso Dabengwa had been released from detention in December, 1986; Masuku had died earlier that year. In early 1988, the government brought peace to the southern provinces by offering amnesty to those "dissidents" who turned themselves in. The merger of the two political parties into ZANU PF became a reality in December, 1989. But party unity did not bring unanimity on all issues. Many veterans of the dissolved ZAPU objected to the new party, which advocated Marxism-Leninism and a legalized one-party state. Acting as their spokesman, Dabengwa told the party's first congress that the delegates from Matabeleland opposed incorporating a reference to Marxism-Leninism into the new party constitution. Mugabe responded by saying that he did not understand why some people reject Marx and Lenin as foreign to Zimbabwe, yet those very same people embrace another foreigner, Jesus Christ. The clause was put into the constitution over the delegates' objections.

On the issue of a one-party state, Dabengwa said that his province wanted a provision in the constitution stating that other political parties would not be outlawed. Mugabe responded that people opposed a one-party state because they did not know better. Therefore, to educate them ideologically, the party was establishing the Chitepo Ideological College to improve popular awareness. Mugabe told the congress that a one-party state would have to be legislated. He said that the only question was about timing and the mechanism for bringing it about. He said that this is "entirely up to us [the party] to decide."

On the eve of the December, 1989, united party congress, Newman Mathuthu Ndlela announced the formation of the Zimbabwe Active People's Unity (ZAPU), a new party with an old name. Ndlela, a political scientist and prominent Bulawayo businessman, was a member of the ZAPU PF team negotiating the merger with ZANU. Ndlela is opposed to party unity and the emphasis on Marxism-Leninism. He is likely to attract Ndebele voters, the core of the old ZAPU support.

In 1990, Mugabe's wife Sally has become more visible in public and political affairs. As head of the Child Survival and Development Foundation, she appears frequently in public and in press reports. Mugabe appointed her to the Politburo as Secretary for Women's Affairs and as head of ZANU PF's

Women's League, despite the fact that she was not nominated by the League.

At the end of the first ten years, the euphoria of independence has turned into harsh reality. Today, people worry about the suppressed inflation, the stagnant job market and declining services; nonetheless, expectations for Zimbabwe's development are high. The country is self-sufficient in food production and has an infrastructure better developed than any other black African country. The task ahead is to maintain the structure and create opportunities for growth.

Mugabe stands to lose much of the goodwill he has earned in Zimbabwe and around the world if he insists on institutionalizing a one-party state and implementing the proposed land acquisition program that is driving a large percentage of the commercial farmers out of the country. The President seems out of touch. The students call him Vasco da Gabe, after the fifteenth century Portuguese explorer Vasco da Gama, because he travels so much. However, despite the party's problems, the support for ZANU PF is broad-based.\* The party has brought the country peace. To insure that peace, it must learn to allow opposition and dissent. ■

\*As we go to press, Mugabe and his ZANU PF have won 78 percent of the vote in the March, 1990, elections.

## MOZAMBIQUE

(Continued from page 220)

ference of Mozambicans in many areas. In Nampula province, for example, Renamo has been able to capitalize on Frelimo's policies of forcing people into communal villages and ignoring rural people's attachment to traditional chiefs, religious leaders and ancestral land. The majority of the rural population has refused to cooperate with either side, pursuing instead a survival strategy of noninvolvement.<sup>10</sup>

There is abundant evidence on public record, from a variety of sources, that South Africa supported Renamo in 1989 and still does. In particular, surrendered Renamo members and freed captives have testified to continued South African involvement. In mid-1989, the United States Department of State and the United States embassy in Maputo confirmed that South African support for Renamo

<sup>10</sup>Otto Roesch, "Nampula: What's Left?" *Southern Africa Report*, vol. 5, no. 2 (1989), pp. 9-13.

<sup>11</sup>United Nations Economic Commission for Africa, *South African Destabilization: The Economic Cost of Frontline Resistance to Apartheid* (New York: United Nations, 1989), p. 20.

<sup>12</sup>Ibid., p. 4.

<sup>13</sup>Ibid., p. 21.

<sup>14</sup>Economist Intelligence Unit, *Tanzania, Mozambique Country Report* (London), no. 4 (1989), p. 33.

<sup>15</sup>For example, see *Tempo* (Maputo), no. 968 (1989), pp. 8-14; *Mozambiquefile*, no. 161 (1989), pp. 4-6.

had not ceased.<sup>11</sup> The support is said to be coming from renegades within military intelligence and from right-wing extremists in South Africa's Portuguese community.

The United Nations Economic Commission for Africa (UNECA) estimated that the economic cost of destabilization for Mozambique was between U.S.\$2.5 billion and \$3 billion in 1988 and \$15 billion in the 1980-1988 period.<sup>12</sup> Although the human costs of destabilization are more difficult to summarize quantitatively, war-related deaths were estimated at 900,000 for the period 1980 to 1988, of which almost 500,000 were infants and children under five years old.<sup>13</sup> During the same period, about six million people, or nearly half the population of Mozambique, were forced at one time or another to seek refuge in other countries or were displaced internally. In July, 1989, foreign relief organizations estimated that there were 7.7 million Mozambicans in need of food, and Mozambique's dependency on international food aid increased. The food situation became critical as donor interest diminished; the loss of interest led to pledges below the requirements and amounts given in previous years. According to the government, only 297,000 tons of food, representing only 31 percent of the 916,000 tons requested at the third emergency donors' conference, had arrived by midyear.<sup>14</sup>

A military solution to the war has proved impossible. Although Frelimo leadership has rejected talks with Renamo rebels for many years, President Chissano has used his frequent public meetings in the provinces to prepare the people for the idea of direct talks with Renamo.<sup>15</sup> In 1990, Frelimo will continue to pursue a political solution to the war, while maintaining its military operations. In the near future, a basis for direct dialogue between Frelimo and Renamo may be established.

The end of 1989 marked the third year of the implementation of Mozambique's structural adjustment program, PRE, which was designed to arrest the downward trend of the economy and to restore production levels to those of 1981 by 1990. The PRE has given priority to agriculture and especially to peasant farmers. It has sought to increase agricultural production by shifting the terms of urban and rural trade in favor of rural producers and by rehabilitating industries producing goods for the agricultural sector. Other central aims of PRE have been to correct the financial imbalances in the economy and to undercut the parallel market economy, thereby giving real value to the national currency, the metical.

It is estimated that the World Bank provided Mozambique with \$400 million from the adoption of PRE in 1987 to July, 1989. The PRE has also facilitated agreements with the Paris and London

Clubs of external creditors under which debt and arrears were rescheduled on concessionary terms, allowing repayment over 20 years (including a 10-year grace period) and interest payments of not more than 2 percent. Annual consultative meetings with creditors and donors in Paris resulted in pledges of \$700 million in 1987, \$820 million in 1988 and an estimated \$1.1 billion in 1989.<sup>16</sup>

In spite of the war of destabilization, the Mozambican economy has experienced some growth under its structural adjustment program. The gross domestic product (GDP) increased 4 percent in 1987 and 4.5 percent in 1988 and 1989. Its benefits were not evenly spread, however, and popular discontent with the program and the government rose sharply in 1989. The social costs of PRE have been particularly dramatic in Mozambique, because the government has tried to implement the full IMF structural adjustment program in time of war; this has not been done in any other country. The living standards of poor urban wage earners, in particular, have deteriorated because of soaring prices and the removal of subsidies, which have only been partly compensated for by wage increases and subsidies for the very poorest. The decline in living standards has also led to a reduction of purchasing power and rising malnutrition; industrial enterprises, which have increased production, cannot sell their goods. To ensure individual and family survival, many individuals have resorted to finding second or third jobs, to trading on the parallel (black) market, and to corruption and speculation.

In the countryside, the stimulus that the PRE was supposed to provide to agricultural production has not matched the expectations of the IMF. The primary reason, of course, has been the war. Many rural producers have not increased production because they fear that Renamo will steal their harvests or attack their villages, forcing them to abandon their farms. Increased peasant production also continues to be constrained by a lack of tools, seeds, transport and marketing facilities, as well as consumer goods. In those few rural areas like Gaza province's Chokwe district where large-scale agro-industrial complexes and state enterprises were numerous, the loss of state workers has increased the hardship of peasant families who no longer have access to regular wage income.

To lessen the negative impact of PRE on the most vulnerable groups in society, the government decided to introduce several new measures. At the

end of July, 1989, the Minister of Education, Anílito dos Muchangos, announced that special assistance would be provided to enable children of the poorest families to receive primary education. A new system of subsidized medical prescriptions for disadvantaged groups went into effect in August. In 1990, the government also intends to introduce poverty alleviation measures, known as the Social Dimension of Adjustment (SDA), to help relieve the hardships resulting from PRE. Furthermore, at the last People's Assembly session in 1989, members approved a law to establish a new social security system that will make benefits available to Mozambican and foreign workers in the event of sickness, accident, maternity or old age.<sup>17</sup>

Pressed by the IMF and Renamo and suffering from past policy errors, Mozambique's future is bleak. The controversy over corruption, stimulated by war-weariness and the PRE, has been fueled by fierce internal debate within the party and government, student demonstrations and strikes. Party and non-party members have accused the leadership of failing to deal with corruption. At the People's Assembly in September, 1989, some members criticized the government for failing to hold officials accountable for their actions and expressed skepticism about the result of inquiries into corruption in the Department for the Prevention and Combat of Natural Calamities (DPCCN) and in the Bank of Mozambique. Several Assembly members doubted that there would be further investigations in 1990 into the behavior of ministers, provincial governors or district administrators.<sup>18</sup>

In May, 1989, students at Maputo's Eduardo Mondlane University boycotted classes for two days, the first student action since independence. In their list of grievances, they denounced the theft of food from university stores and the special privileges given to children of party officials. They also named party officials allegedly involved in corruption.<sup>19</sup> Senior Frelimo officials who tried to negotiate with the students were met with widespread skepticism. At the same time, the party-controlled press published detailed reports that criticized the government's economic policies and the handling of emergency aid shipments to war-ravaged rural areas. Earlier in the year, striking dockworkers had mentioned corruption as one of their complaints. Despite government condemnation of corruption, it is unclear whether Frelimo leadership can rectify a trend that is fast becoming a way of life at all levels of society.

Mozambican workers have also complained that they have gone for several months without pay. On occasion, workers have criticized the government for being quick to implement price increases and sluggish with respect to wage increases. In some

<sup>16</sup>Economist Intelligence Unit, *Mozambique*, p. 11.

<sup>17</sup>Ibid., p. 24.

<sup>18</sup>Mozambique Information Office, "Corruption Denounced," *News Review*, no. 170 (1990), p. 10.

<sup>19</sup>Carlos Cardoso, "Mozambique: Corruption Will Highlight Fifth Congress Debates," *Mozambique 1989: New Directions* (Montreal: CIDMAA/COCAMO, 1989), p. 47.

cases, companies have failed to raise salaries in accordance with the law. At the end of last year, journalists went on strike for the first time since the government assumed full control of the information sector in 1975. The strike was started by about 30 journalists at the weekly magazine *Tempo* who demanded their year-end bonuses. At that time, some journalists took the opportunity to protest against government interference in editorial issues.

The wave of strikes in Maputo represents a dramatic change in the political behavior of workers. During a lively debate on liberalization at the fifth party congress, there was a clear division between the official trade union federation, Organização do Trabalhadores de Moçambique (Mozambican Workers Organization), OTM, and the workers themselves. The OTM was formed by Frelimo, and its current leaders are members of the party's central committee or other high-ranking officials. It has been criticized, like other mass democratic organizations, for not benefiting its constituency. The OTM message to the congress called for "control and sensitivity" in applying measures under the PRE to avoid "unforeseen events" that might lead to injustices against the workers. It complained that of the 30,759 workers laid off as a result of the PRE, only 3,805 had found alternative employment.<sup>20</sup> In the end, it had little to say about workers' health and safety, or labor discipline.

In the 1990's, the Mozambican government will probably find it even more difficult to enjoy political stability and maintain order. Strike activity will increase as workers seek better working conditions and higher wages to meet rising inflation and living costs. The OTM may play a central role in the struggle if the workers can transform it into an active instrument of popular participation and protest. It is unlikely, however, that the government will be able to meet workers' demands with a bankrupt economy. Even if the peace initiative is successful in ending the war, Mozambique needs more than \$1 billion per year in foreign assistance to revive its economy. Yet assistance is not likely to be forthcoming on a large scale, as Western countries reduce aid to Africa and other third world regions in order to provide financial assistance to Central and East European countries. ■

<sup>20</sup>Prabha Khosla, "Workers and the Frelimo 5th Congress," *Mozambique 1989: New Directions* (Montreal: CIDMAA/COCAMO, 1989), p. 50.

#### UNITED STATES POLICY

(Continued from page 196)

to offset reductions in support for UNITA from South Africa. By 1989, the United States had

become UNITA's main external supplier, providing it with an estimated \$50 million in annual covert military assistance. Though unconfirmed by Washington, most of this aid was spirited into UNITA territory through Zaire's United States-built airbase at Kamina. The connection was vividly revealed in November, 1989, when a CIA-chartered plane from Zaire crashed, loaded with United States weapons destined for Jamba, UNITA headquarters in Angola.<sup>18</sup>

Zaire's President Mobutu, who more often than not has been at odds with the MPLA (Popular Movement for the Liberation of Angola) regime for over a decade and who is a loyal client of the American government, has served as a willing accomplice. Moreover, for years UNITA has maintained a high-powered lobby in the United States Congress and has succeeded in buying the support of key congressmen. In 1989, that lobby greatly expanded its activities. The Angolan government attempted to meet the challenge by establishing its own less well-funded lobby; but it has not succeeded in winning enough congressional support to sway United States policymakers.

Shortly after his inauguration, President Bush wrote a personal letter to Savimbi, assuring him of continued American support.<sup>19</sup> Still, opponents of United States assistance to UNITA are vocal. Representative Howard Wolpe (D., Mich.) and Senators Paul Simon (D., Ill.) and Edward Kennedy (D., Mass.) continue to press for a full reassessment of United States policy toward Angola. They have asked what American interests are served by pouring more arms into a dubious struggle that does not directly affect United States strategic interests.

Washington has always been deeply divided on the issue of Angola, and divisions have made it impossible for the United States to develop a coherent and consistent policy. Despite this, the United States has been Angola's major trading partner for more than a decade and has purchased enormous quantities of crude petroleum from Angola's Cabinda fields. On the other hand, United States exports to the country have been comparatively small.

The American business community has not been able to convince the President and Congress to extend diplomatic recognition to Angola. Nevertheless, diamond and petroleum imports from Angola have steadily expanded. Assistant Secretary Cohen favored relying on Mobutu as mediator; Under Secretary of State Christopher Lehman believed that the United States should lay down its own terms for a settlement. A cease-fire, he added, must be followed by open-ended negotiations with no preconditions.

While the peace talks on Mozambique and

<sup>18</sup>*Africa Report*, November/December, 1989.

<sup>19</sup>*Africa News*, November 13, 1989.

Angola moved at an agonizingly slow pace, the American policy of "constructive engagement" seemed to be bearing fruit at last on the Namibian front. Enormous progress was made in 1989 in advancing that mineral-rich territory toward independence after 75 years of South African rule. A measure of the credit must go to American and Soviet diplomats.

### **CONSTRUCTIVE ENGAGEMENT: NAMIBIA**

The United States has long been involved in the Namibian question. At the Versailles Peace Conference following World War I, President Woodrow Wilson prevented South Africa from annexing the territory, which had been taken by conquest from Germany in 1915. Nevertheless, South Africa was allowed to administer Namibia as a League of Nations mandate. In 1950, the World Court ruled that the United Nations had the right to supervise South Africa's administration of the territory. However, when Pretoria laid plans for the extension of apartheid into the old mandate, Ethiopia and Liberia asked the World Court to invalidate South Africa's authority.

In 1966, the Court refused to rule on the issue, and the United States subsequently supported a United Nations (UN) General Assembly resolution revoking South Africa's mandate on the grounds of maladministration. African pressure continued to build; and in 1971 the World Court invalidated the mandate and ordered South Africa to withdraw from Namibia. The United States responded by cutting Export-Import Bank loans for the territory but did little else. New investment was officially discouraged, though no steps were taken to limit existing investments, which were nearly all in mining and which were controlled by two United States companies.

Subsequently, South Africa made plans to leave behind a constitution and government of its own creation in Namibia. The UN rejected this strategy and, in 1977, United States President Jimmy Carter received the blessing of the OAU to set up a Contact Group of five UN Security Council members to press South Africa to negotiate for Namibian independence under UN supervision. South Africa grudgingly agreed in April, 1978, after considerable pressure from the Carter administration. In September, 1978, the Security Council approved Resolution 435, which provided for UN-controlled elections, the withdrawal of South African forces before independence, and a UN peacekeeping team to guarantee an objective transition to independence. South Africa balked,

\*Sponsored by Philip Gramm (R., Texas), Warren B. Rudman (R., N.H.) and Ernest Hollings (D., S.C.).

<sup>20</sup>EU, *Namibia Country Report*, no. 4, 1989.

and mounted its own elections, which were boycotted by the black SWAPO forces.

Momentum toward independence slowed in 1981, when the Reagan administration told Pretoria that it wanted to link a Cuban withdrawal from Angola to a South African departure from Namibia. Many observers saw this new element of linkage as a setback to the peace process. Warfare intensified along the Namibian-Angolan border, with escalating South African casualties. By 1988, United States sanctions against South Africa and the spiraling cost of military operations were putting a heavy burden on the republic's economy and morale. Moreover, Cuban and Soviet involvement in the Angolan war dealt the South Africans a stunning setback in the battle for Cuito Cuanavale.

In December, 1988, there was a diplomatic breakthrough, when Assistant Secretary Crocker hammered out a deal in New York. Hoping to avert a wider and costlier war, the beleaguered South Africans agreed to leave Namibia in exchange for a Cuban withdrawal from Angola. Implementation of Security Council Resolution 435 began in April with the arrival of a United Nations Transitional Assistance Group (UNTAG) in Namibia. SWAPO and the other Namibian parties accepted the plan and in the November, 1989, elections, SWAPO won .57 percent of the total vote, enough to dominate the newly formed constituent assembly but seven votes short of what it needed to impose its own constitution and single-party rule.<sup>20</sup>

By late January, 1990, SWAPO and the other political parties had agreed on a constitution and a March 21, 1990, date for independence from South Africa. The draft constitution included a bill of rights and gave the courts the power to enforce it. On its own, Namibia appeared to be moving toward the type of multiparty, nonideological multiracial democracy that United States policymakers had wanted.

### **TRYING TO DO MORE WITH LESS**

Southern Africa must face the grim prospect of little or no increase in assistance from private or public sources in the United States. Ever since 1985 and the imposition of the Gramm-Rudman Balanced Budget and Emergency Deficit Reduction Control Act,\* the American foreign aid budget has remained largely fixed. In an indication of its shifting global priorities, the Bush administration informed Congress in January, 1990, that it planned to increase aid to Poland dramatically and to cut back assistance to Africa. South of the Sahara, only Djibouti and the Seychelles Islands were expected to see an increase, although \$10 million was earmarked for scholarships to bring black South Africans to American schools. Consequently, the rest of

southern Africa must try to do more with less.

The year 1989 witnessed rising domestic criticism of existing United States assistance programs. In Congress, the Hamilton-Gilman report recommended the dismantling of AID and the creation of an entirely new and more flexible foreign aid organization.<sup>21</sup> The report also called for improved coordination with other donors.<sup>21</sup> Some policymakers wanted to revamp the entire foreign aid program to achieve a more human focus. Senator Robert Dole (R., Kansas) proposed reallocating aid away from Israel and toward poorer third world countries.

The Bush administration would like the private sector to compensate for the falling levels of official assistance. However, since the early 1980's, American trade and investment in black-ruled southern Africa have declined, and the average rate of return on investments has plummeted to under 5 percent in most SADCC countries. Exports to Botswana between 1987 and 1988 fell one-third and imports fell 80 percent. In Zambia, exports dropped 45 percent and imports 60 percent.<sup>22</sup> In Zimbabwe, there has been little new direct investment other than investment by the H.J. Heinz Company and that did not involve a transfer of desperately needed technology or a massive infusion of fresh capital. Southern Africa as a whole has been written off by American investors because of the turmoil in the Republic of South Africa. Moreover, many United States firms that operated in the SADCC countries did so from bases in South Africa. By 1990, many had abandoned these investments in the wake of sanctions and disinvestment. Thus, much of southern Africa became a victim of United States policies directed against South Africa.

Since 1986, AID has run a privatization campaign to pressure African governments to sell off state-owned enterprises to private investors. In Washington, D.C., a private enterprise bureau was set up and a five-year contract was let to a consortium of companies that would act as a spearhead for private investment. In southern Africa, Swaziland became the key target. Then, in 1989, the Overseas Private Investment Corporation (OPIC) and a

<sup>21</sup>Named for Lee H. Hamilton (D., Ind.) and Benjamin A. Gilman (R., N.Y.)

<sup>22</sup>*Report of the Task Force on Foreign Assistance*, United States House of Representatives, 101st Congress, 1st session, Document no. 101-132 (Washington, D.C.: Government Printing Office, 1989).

<sup>23</sup>*Barclays Business Guide to Botswana 1989* (Gaborone: Barclays, 1989).

<sup>24</sup>*Washington Report on Africa*, March 15, 1989.

<sup>25</sup>IEU, *Lesotho Country Report*, no. 3, 1989.

<sup>26</sup>*Africa News*, December 25, 1989.

<sup>27</sup>IEU, *Madagascar Country Report*, no. 4, 1989.

<sup>28</sup>Ibid.

<sup>29</sup>*The Economist* (London), August 19, 1989.

group of American corporations launched a \$30-million "Africa Growth Fund" to provide capital for firms interested in investment in African projects.<sup>23</sup> In April, OPIC-sponsored investment promotion missions of private businessmen were sent to Lesotho, Swaziland and Botswana.<sup>24</sup>

The results were disappointing. Policymakers in Washington, D.C., prodded the SADCC countries to pursue IMF and World Bank-mandated economic reforms more vigorously. In late 1988, the United States restored aid to Zambia, which had been suspended months earlier after it defaulted on a debt payment. Kaunda was prodded to accept an IMF austerity plan, not unlike the one Zambia scrapped in 1987 after food rioting. With the exception of Botswana, which enjoys a huge foreign exchange reserve, the countries of black-ruled Southern Africa lack the foreign exchange to finance imports of the necessary new machinery and spare parts to restart their faltering economies and become competitive in world markets. They also lack funds to initiate market-oriented reforms.

In 1989, the United States, the IMF and the World Bank came under growing criticism for their rigid application of structural adjustment programs. In November, only the United States voted against a UN resolution on an "African Alternative Framework to Structural Adjustment Programs."<sup>25</sup> The Bush administration countered that no fundamental changes in the reform programs were necessary and that in time they would produce positive results. African governments, on the other hand, argued that these programs hurt the poor and create social and political turmoil. Some critics contended that the United States was inconsistently pressing for deficit-reduction and trade liberalization programs in Africa that they would not dare to adopt for their own deficit-ridden economy.

The United States reluctantly followed the lead of most Western donor countries in agreeing to cancel some of the debts to the "poorest" countries. In July, Washington announced that \$1 billion worth of debt owed by the poorest African countries under IMF-World Bank reform would be canceled.<sup>26</sup> Zambia, Lesotho, Malawi, Mozambique and the Malagasy Republic may gain from this new concession. The Bush administration also began to encourage debt-for-nature swaps. In 1989, the World Wildlife Fund bought over \$2-million worth of Malagasy debt from several private banks and will use the funds to preserve endangered wildlife habitats on the island.<sup>27</sup> AID played a key role by providing a \$1-million grant to expedite it.

This was the first debt-for-nature swap by a so-called poor country and promised to help implement Madagascar's unique Environmental Action Plan.<sup>28</sup> Finally, the United States also became in-

terested in wildlife protection and supported a UN ban on trade in ivory. The American move was criticized by Zimbabwe, Botswana, Mozambique and Malawi, who argued that their herds of wild game were well-protected.<sup>29</sup>

As the Western world witnessed in amazement the sweeping reforms under way in East Europe, it overlooked similar trends in southern Africa. Democratic systems are evolving in Botswana, Namibia, Zimbabwe and Mozambique. Regional economic organizations like SADCC are flourishing and have exceeded the most optimistic expectations. A fundamental restructuring and liberalization of economies is well under way in many countries. The Frelimo central committee in Mozambique defended the IMF-World Bank Economic Recovery Program. Lesotho and Madagascar have begun to implement far-reaching environmental action plans, Botswana has developed a food security program that is applicable throughout Africa, and Zimbabwe has launched a successful family-planning scheme that promises to slow population growth and improve public health.

The United States can take some credit for planting the seeds of this renewal. However, many of these projects are now in danger because of the diversion of resources to other parts of the world. Black-ruled southern Africa remains a low priority in Washington.

The United States has an unprecedented opportunity to make sure that this still-fragile process will lead to sustainable and equitable growth. It cannot wait for the reluctant private investor but must urgently seek the transfer of technology to raise food production and to forestall ecological degradation. It must help to train a new generation of agronomists. Nevertheless, before full recovery can occur in southern black Africa, American and Soviet policymakers must place national unification in Angola and Mozambique among their higher priorities and must seize the opportunity to engage in a mutual arms cutoff.

The United States must also seek ways to reintegrate a future post-apartheid South Africa into the other economies of southern Africa. The Americans now possess the leverage to achieve this. Sustained economic development cannot take place without regional stabilization and that is unlikely until rebel forces are deprived of military support, peace is restored, and populations are able to return to the workplace. ■

<sup>29</sup>African Business, December, 1989.

## UGANDA (Continued from page 208)

Resistance Council V at the district level, was intended in due course to replace the former District

Council, and to bring local and central government together at that level.

The new structure was essentially an interim local government system, for which responsibility was ultimately located within the Ministry of Local Government. It represented a significant break with the traditional "top down" system. Beginning in mid-1986, RCs were gradually set up in most parts of the country; by late 1987 there were some 40,000 RCs at the village level. Although there were weaknesses with regard to RC functions and resources, they represented a serious attempt to create a popular, local-level institution.

The priority that the NRA/M gave to local administration was indicative of the kind of political order it envisioned. The RC model, which owed a good deal to NRA experience in the bush, reflected the emphasis on "participatory democracy" set down in its Ten-Point Program. The RCs would allow people to participate in the decision-making process and to take charge of their own affairs at the local level and would provide a channel of communication with the center. Museveni conceived of the NRM as a broad, popularly based movement. At the same time, his "populist" notion of the people's power was essentially paternalist. There was no doubt that it ensured central control and guaranteed the role of the NRM as custodian and guardian. There was no effective role in the model for political parties, whose "sectarian politics" were held responsible for past conflict at the local as well as the national level.

The RC system drew criticism from two sources. The bureaucrats were concerned with practicalities. At the same time, they feared a challenge to their authority from what was regarded as a radical innovation. The party politicians saw the RCs as an attempt on the part of the NRM to broaden its own political base. Although the NRM denied that it was a party, it was in many ways the successor to Museveni's Uganda Patriotic Movement (UPM). It was, however, a very recent creation, and the NRM Secretariat had done little to set up any structure beyond the secretariat itself and four political education schools for a politicization program. As a movement, the NRM scarcely existed; it had no countrywide organization and no mass membership. The political parties suspected that the RCs were intended to provide both and that they were a preliminary step toward the creation of a one-party state.

Whatever the NRA/M's political intentions, the RC system did not in fact change the power structures at the local level. Uganda's two major political parties, the UPC and DP, were 30 years old and had deep roots in Ugandan society, as their survival through eight years of Amin's rule had demon-

strated. At least the RC system removed the violence that had characterized previous polls. It did not, however, change political allegiances. There were no restrictions on participation in the RC election and DP officials in particular were able to establish themselves within the new system. More important, where there had been strong local power groups in the past, these had apparently been transferred to the new structure.

The RC experiment caught the imagination of a good many Ugandans and won popular support for the NRA/M. It did not, however, change the government's basically southern identification. A second institutional experiment followed in February, 1989, when, almost exactly three years after taking power, the NRM held elections for an expanded National Resistance Council (NRC). Announced with only three weeks' notice, these elections were conducted with a minimum of resources and were essentially peaceful. With the exception of the north and a part of Teso in the northeast (which for security reasons were excluded), they were countrywide. Candidates had to be resident in the constituency, but otherwise no one was precluded from standing for election. No deposit was required. Neither party nor individual campaigning was allowed. There was no prior registration of voters. The elections were conducted through the Resistance Councils, for which fresh elections were first held, after which 150 of the now 210 elected members of the NRC (one for each county) were chosen according to the same electoral college system. Voting was by queuing behind candidates. The RC V, the district council, elected the others. The elections were thus essentially indirect.

The NRM believed that the 1989 experiment fulfilled its 1986 promise to hold elections within four years. Only the second elections since independence (the first having been the elections of 1980 that were generally regarded as fraudulent), they were regarded by many Ugandans as free and fair. Thus they represented a significant achievement for the NRM and, like the RCs, won the NRM considerable popular goodwill.

Nevertheless, the NRC elections did not change the power structure in any significant way. The NRM was perceived to have "won" and the parties to have lost their preeminence. But the same social divisions that had hitherto been dominant remained. NRC members still came from the traditional business, professional, civil service elite who had formerly dominated party and Parliament and who had been at the center of the divisive politics the NRM wished to eliminate. The break with the past was not complete.

The timing of the NRC elections, held when the constitutional commission had scarcely begun its

task, raised doubts in many people's minds with regard to the NRM's intentions about its term in office. There was therefore little surprise (even though there was considerable criticism) when, in October, 1989, the NRC agreed to extend the life of the interim administration (and therefore its own) for five more years, to 1994.

While the search for political control has preoccupied Museveni for four years, the extent of his success remained unclear in 1989. In the interest of national unity, he created a large army and a broadly inclusive government, both at a huge cost to the state. The NRM, however, still lacks a countrywide base, and there are no direct political institutional links between the central and the local governments. The government is embracing more competing social forces than ever.

At the same time, Museveni has been unable to provide Ugandans with the "reasonable level of living" without which democracy in politics is impossible, according to NRM's Ten-Point Program. The NRM has been unable to restore the economy and, despite protestations to the contrary, its basic economic policies are those of its predecessors. Hence the central issues of regional and income inequality that were at the heart of the regional cleavages between north and south remain. ■

## SOUTH AFRICA

(Continued from page 200)

Claiborne, a correspondent for the *Washington Post*, admitted that

I . . . remained [skeptical] . . . for a good part of my [three-and-a-half-year] tour in South Africa. It seemed to me that punitive economic sanctions might be effective as a threat, but once they were imposed the stiff-necked, self-reliant nature of the Afrikaners who rule this country would come to the surface . . . and [they would] perhaps become even more intractable . . . I was wrong. For all of their faults . . . sanctions were beginning to work, finally.<sup>9</sup>

A new regional calculus also emerged in 1989. The Angolan-Namibian agreement signed in December, 1988, set in motion a process that had multiple repercussions. First, it gave South Africa an internationally recognized role as a peacemaker in the region, despite earlier policies that had contributed to conflict in the area. Second, it helped reduce cold war tensions in Africa. The Soviet Union supported the agreement, which called for the removal of Cuban troops from Angola over a 27-month period. Third, it launched Namibia, a territory that South Africa had controlled since World War I, on the road to democracy, providing

<sup>9</sup> *Washington Post*, January 14, 1990.

a model of peaceful racial reconciliation on South Africa's doorstep.

Lastly, the agreement enabled South Africa to conclude a military retreat from the region without losing face. Although the civil war in Angola raged on with a new intensity and the insurgency in Mozambique was no closer to resolution, South Africa had officially withdrawn from these wars and pledged not to interfere, whatever happened to the Union for the Total Independence of Angola (UNITA) and the Mozambican National Resistance (Renamo), anti-government guerrilla groups that were Pretoria's clients.

Furthermore, while the agreement was being negotiated and implemented, the Angolan and Mozambican governments embarked on economic and political reforms, with the latter—formerly one of Africa's most committed socialist states—rejecting Marxism-Leninism. Even the ANC guerrilla threat was reduced. As part of the accord, military camps that had been located in Angola before the Angolan-Namibian agreement were moved to Tanzania and Uganda. There were now "no immediate prospects of inflicting an all-around military defeat on the enemy," noted the South African Communist party in a document assessing the new strategic situation in the region.<sup>10</sup> However, in August, 1989, the ANC launched a fresh diplomatic offensive with its adoption of the Harare Declaration, which set forth a plan for negotiations. The document was endorsed by the Front-Line States, the Non-Aligned Movement, the Organization of African States and, with some modification, the United Nations General Assembly.

Internal pressures within South Africa also mounted. Having been battered severely by the state of emergency, anti-apartheid forces began a defiance campaign of nonviolent resistance. Detainees arrested under emergency regulations went on a hunger strike, forcing the government to negotiate their release with leaders of the Mass Democratic Movement, as the anti-apartheid forces re-styled themselves after their organizations were banned. Some prisoners escaped from custody and took refuge in foreign embassies. Those who were placed under restriction ignored government orders, defying Pretoria to rearrest them in peaceful protests. Sit-ins were organized, political rallies convened, and negotiations with local authorities started to resolve some of the burning issues in the black townships, like housing and education. Blacks were moving—literally—into cities, universities, hospitals, recreational areas and public facilities that had been historically reserved for whites.

<sup>10</sup>"The Path to Power," as quoted in *The Weekly Mail* (Johannesburg), January 18, 1990, p. 11.

Politically, the white community had also reached a moment of truth as the full implications of the results of the 1989 election set in. From that September poll, the Conservative party showed that, while it did not do as well as expected, it was there to stay. The rift in Afrikanerdom could not be healed. The Democratic party, doing better than expected, showed that a new challenge had emerged on the left. Marginal victories by the National party in several close constituencies raised the possibility of a hung Parliament in the next election, due in 1994.

The handwriting was on the wall: either the National party had to make a political breakthrough or it would be caught in a political vise. A party man all his life, de Klerk saw the tides of world opinion, white fragmentation and the resurgence of black resistance playing against the white establishment.

At this juncture, South Africa's future depends on how the two primary actors—the ANC and the National party government—play their cards. The situation has never looked more promising, but it is also highly dangerous. Expectations are running ahead of negotiations; rhetoric is glossing over real political differences; and time is not on anyone's side. The National party must reach a settlement before the next election, when it could be voted out of office. The ANC must move quickly or it may lose ground, not only to the government, but to other political rivals.

South Africa may well enter a period of political realignment that will cut across racial barriers even before a transition to a new government takes place. That would be a hopeful sign, leading to the creation of a new body politic. But before that occurs, Pretoria must shift from unilateral reforms to multilateral negotiations, and the ANC must make the transition from liberation struggle to participatory politics.

If an elected body, a constitutional convention or a constituent assembly, is convened, a national debate could take place that would permit all groups and alliances to test their political strength and their political ideas. Whatever mechanism is used it must be democratic or it could invite outside interference, provoke renewed conflict and lose international credibility.

Whether South Africa's transition will lead, with a minimum of violence, to a multiparty, nonracial democracy is unclear. At least that future appears possible. But the legacy of apartheid, the scars of violence and the polarization of society have left their mark. Without a commitment by all major parties to a common future, South Africa could still plunge into the abyss of race war or the violent throes of partition. The range of alternative outcomes is as broad in South Africa as it is in East Europe, and democracy hangs in the balance. ■

**ANGOLA***(Continued from page 216)*

release of all political prisoners, the creation of a transitional government of national unity to which UNITA could nominate its own members, a rewriting of the constitution, and "free and fair" elections. The congress specifically rejected exile for Savimbi.

Both the MPLA and UNITA were to blame for the return to the battlefield. It was UNITA that officially disowned the June cease-fire, and throughout late 1989 UNITA activities increased. The MPLA, meanwhile, began to plan an offensive, which it launched just before Christmas, 1989. With the apparent assistance of Soviet advisers, the MPLA worked out new military strategies, which turned out to be remarkably effective, and on February 2, 1990, the MPLA claimed to have taken the key UNITA outpost of Mavinga.<sup>20</sup>

While the military operations were under way, the MPLA had not entirely abandoned the negotiations; and in early January, 1990, President Dos Santos had outlined a new proposal. For the first time, the MPLA suggested that UNITA members could become independent legislative candidates and promised to ensure the freedom of "associations" of a "social or cultural character," implying that UNITA could continue to exist as an association while its members participated in the electoral process. This was a change from the previous insistence that UNITA be integrated into Angola's existing political structures. The new proposals also called for the formation of a "restructured" national army that would absorb UNITA's guerrillas. The Angolan government, however, continued to rule out multiparty elections, and to suggest that Savimbi "temporarily step aside." The fate of the January, 1990, MPLA proposal is unclear at this writing. UNITA claimed that it was never officially delivered to the mediator, Mobutu, and therefore that no response was required.

The negotiating process slowed still further in early February, when Angolan President Dos Santos canceled a planned trip to the United States. The MPLA totally misread the situation in Washington. Congressional support for Savimbi had not significantly weakened, and the administration did not want Dos Santos to meet with President Bush until a cease-fire was in place. Belatedly realizing that the MPLA goals were unattainable, President Dos Santos canceled the visit.

<sup>20</sup>"Army Takes Key Rebel Stronghold," Foreign Broadcast Information Service, *Sub-Saharan Africa Daily Report*, February 2, 1990.

<sup>21</sup>Pauline Baker, "The American Challenge in Southern Africa," *Current History*, vol. 88, no. 538 (May, 1989), p. 209.

An important opportunity for the Angolan and American governments to improve mutual understanding was thereby forfeited.

The Bush administration managed the transition process inefficiently and had no experienced diplomats early in 1989 to maintain the momentum developed by the December, 1988, tripartite agreements. When Cohen took charge, his freedom of maneuver was severely constrained by the Bush administration's reluctance to engage in high-profile diplomacy and its sensitivity to conservative opinion.

The slow transition process and the pressure of conservative domestic opinion meant that the United States initially distanced itself from the negotiations, handing the mediation baton to President Mobutu. Anxious to produce quick results, Mobutu forced the pace of the talks and produced the Gbadolite fiasco. Rather than taking vigorous action to rescue the process, the United States remained on the sidelines and failed to use its considerable leverage to bring Savimbi back to the negotiating table.

While Savimbi stayed away, the hard-liners in the MPLA gained the initiative. They were able to point to the United States failure to "live up to" its perceived "promise" of diplomatic reward for Angola's signing of the December, 1988, tripartite agreement, and the increase of United States aid to UNITA, as evidence the United States was not to be trusted. Cohen was prevented from offering the Angolan government a "good faith gesture" that could have strengthened the hand of the more flexible elements within the MPLA. Instead, bowing to conservative pressure, the State Department offered Savimbi a good faith gesture, endorsing his terms for a settlement, and got the worst of both worlds. By the time UNITA was finally persuaded to return to the talks, those in the MPLA skeptical of the utility of negotiation were already planning a new military confrontation.

As Pauline Baker has remarked, the Angolan-Namibian tripartite accords "open[ed] a new phase in American diplomacy, which the Bush administration must carry to completion."<sup>21</sup> So far, the United States has failed.

It is highly unlikely that peace would have been swiftly achieved in Angola even if the United States had handled its policy more creatively. The gap between the MPLA and the UNITA positions is so wide, and the history of mutual distrust so long, it is hard to imagine the opposing forces coming to agreement rapidly, even under ideal circumstances. However, a United States approach less driven by domestic opinion might have prevented the MPLA-UNITA competition for power from shifting back to the battlefield.

# THE MONTH IN REVIEW

*A Current History chronology covering the most important events of March, 1990, to provide a day-by-day summary of world affairs.*

## INTERNATIONAL

### Arab League

March 11—After 10 years in Tunis, the Arab League agrees in principle to move its headquarters back to Cairo; in 1979, because Egypt concluded a peace treaty with Israel, the members voted to move the headquarters to Tunis.

### European Bank for Reconstruction and Development (EBRD)

March 14—Representatives of 34 countries meet to draft a charter for the EBRD with a planned capitalization of \$8.3 billion to fund economic assistance to East European countries. The U.S. will not join the bank if the Soviet Union becomes a major borrower.

### Organization of African Unity (OAU)

(See *South Africa*)

### Organization of Petroleum Exporting Countries (OPEC)

March 18—In Vienna, OPEC oil ministers end a weekend meeting, noting that increased oil use in the next decade will require new investment in production; they agree to keep oil prices at present levels but cannot reach agreement on the timing for increased production.

### Palestine Liberation Organization (PLO)

(See *U.S., Foreign Policy*)

### United Nations (UN)

(See also *Namibia*)

March 14—The 5 permanent members of the Security Council ask the 4 warring factions in Cambodia to transfer "all necessary powers" to a UN peacekeeping force to administer the government and ensure free elections.

March 16—Secretary General Javier Pérez de Cuéllar asks the Security Council for "urgent approval" to increase the size of the UN observer group and the force to aid the voluntary demobilization of the Nicaraguan contras.

March 26—The UN Food and Agriculture Organization reports that for the 3d year in a row, world food supplies of grains have decreased; the decrease poses the threat of famine in many third world countries.

### AFGHANISTAN

March 6—The government says it has put down a coup by Defense Minister Shahnawaz Tanai; this is the 5th failed coup since the Soviet military withdrew in 1989.

March 15—Tanai says that, in spite of past differences, he will join forces with the fundamentalist guerrillas led by Gulbuddin Hekmatyar to depose the government of President Najibullah.

March 18—at a meeting of the Communist party Central Committee, Najibullah tells the party to give up its monopoly on power.

### ARGENTINA

March 21—State workers stage a 1-day strike to protest the government's effort to reduce the state sector of the economy and its projected wage increases that trail the inflation rate, currently 100 percent a month.

## AUSTRALIA

March 29—In the March 24 parliamentary election results announced today, the conservative coalition gains seats, but does not unseat the ruling Labor party; Bob Hawke is re-elected Prime Minister.

## AUSTRIA

March 14—During the last day before new border restrictions go into effect, between 5,000 and 7,000 Romanians cross into Austria; as of March 15, they will be required to obtain visas before entering Austria.

## BRAZIL

March 13—The central bank announces a 3-day bank holiday at the request of the new economic minister, Zelia Cardoso de Mello, to stabilize the economy until incoming President Fernando Collor de Mello's new economic policy is announced.

March 15—Collor is inaugurated as President; he is the first popularly elected President in Brazil in 29 years.

March 16—Collor announces his economic plan that ends state subsidies, creates a new currency, privatizes state enterprises, imposes new taxes and declares a moratorium on internal debt. The major aim of the plan is to arrest inflation, which was 2,700 percent in the past year.

## CAMBODIA

(See also *Intl., UN*)

March 1—Ending the most recent round of peace talks, rival factions are unable to agree on a UN role in a transitional government.

March 27—in Beijing, leader of a non-Communist resistance faction Prince Norodom Sihanouk says that Vietnam has illegally seized Cambodian territory by moving territorial border markers.

## CHILE

March 11—Patricio Aylwin is inaugurated as President; he is the 1st civilian leader in Chile in 16 years.

March 12—Aylwin announces that he is freeing political prisoners.

## CHINA

(See also *U.K., Hong Kong*)

March 20—at the opening of the annual session of the National People's Congress (NPC), Prime Minister Li Peng suggests some loosening of economic austerity policies, but calls for a harder line against dissent and tightened public security.

March 21—the NPC accepts the resignation of Deng Xiaoping as chairman of the government Central Military Commission, his last official post; the NPC hears the government's budget proposal including a 15 percent increase in military spending.

## CUBA

March 7—President Fidel Castro announces that he is ending military assistance to Nicaragua.

## CZECHOSLOVAKIA

March 15—West German President Richard von Weizsäcker

visits Prague on the 51st anniversary of the Nazi German occupation in 1939.

### EGYPT

(See *Intl. Arab League*)

### EL SALVADOR

March 21—Government officials say that the government and the leftist rebels have agreed to start talks aimed at bringing them into the political process. The government has set September as the deadline for signing a treaty with the rebels.

### ETHIOPIA

March 21—Soviet Ambassador to Sudan Valery Sukhin says that as of early February, all Soviet military advisers have been withdrawn from battle areas in Ethiopia.

### FRANCE

(See *Germany, West*)

### GERMANY, EAST

(See also *Germany, West*)

March 19—In the 1st free elections since 1933, the Alliance for Germany, a coalition of conservative parties led by the Christian Democrats, finishes 1st but does not win a majority. The coalition advocates rapid unification with West Germany. The Social Democrats come in a distant 2d and the Communist party is 3d.

The Christian Democrats invite the Social Democrats and the liberals to form a coalition government; the Social Democrats turn down the offer.

March 23—Chairman of the Christian Democratic Union Lothar de Maizière says he is ready to become Prime Minister.

### GERMANY, WEST

(See also *Czechoslovakia; Germany, East; Japan; Libya*)

March 2—Chancellor Helmut Kohl says that a treaty between Germany and Poland affirming Poland's western border should also include a Polish waiver of further claims for war reparations and should guarantee the rights of the German minority in Poland.

March 6—The government proposes that West Germany and East Germany adopt resolutions that waive territorial claims to Poland, and that a future reunified Germany put a "final seal" on the question of Poland's border.

March 7—The Social Democratic party says German unification should come through negotiation not annexation.

March 14—In Bonn, representatives from East Germany, West Germany, the U.S., the U.S.S.R., Great Britain and France—the so-called 4 plus 2—hold their 1st formal talks on German unification; they agree to include Poland in discussing the Polish border.

March 20—The government decides that as of July 1, 1990, most benefits to East German immigrants will end and special reception centers for them will close. July 1, 1990, is the date for unifying the two German currencies.

### GRENADA

March 13—In national elections, no party wins a clear majority; thus the balloting fails to select a new Prime Minister.

### HAITI

March 8—in the 4th day of demonstrations, several thousand anti-government protesters assemble near the National Palace in Port-au-Prince to demand that Lieutenant General Prosper Avril resign as President.

March 9—Protesters block the main roads with fiery barricades in continuing demonstrations; police fire on protesters.

March 10—It is announced on national television that Avril has resigned and that Acting Army Chief of Staff Herard Abraham will name a provisional leader.

March 12—Avril leaves Haiti for the U.S. Supreme Court Justice Ertha Pascal-Trouillot is named to head the provisional government, the 5th government since the downfall of President Jean-Claude Duvalier in 1985.

March 13—Pascal-Trouillot is inaugurated as Provisional President. Army commander Abraham says that the army "will stay in the barracks."

March 23—*The New York Times* reports that, in Port-au-Prince, violence attributed to Avril loyalists is continuing.

### HONDURAS

(See *Nicaragua*)

### HUNGARY

March 10—It is announced by Hungarian radio that the Soviet Union and Hungary have agreed on the withdrawal of all Soviet troops from Hungary by mid-1991.

March 12—The 1st contingent of Soviet troops withdraws from Hungary.

March 26—Results of the March 25 parliamentary elections show that 6 center-right and liberal parties prevailed, with 2 anti-Communist parties in the lead; a 2d round of elections will be held in April.

### INDIA

March 1—in Srinagar, Indian troops fire on demonstrators rallying in favor of secession for Jammu and Kashmir; at least 29 people are reported killed.

March 24—India completes the withdrawal of its troops from Sri Lanka, a week ahead of the deadline.

### IRAN

March 7—President Hashemi Rafsanjani denies that there have been any direct negotiations with the U.S. regarding Western hostages in Lebanon; he says messages have been transmitted through intermediaries.

### IRAQ

(See also *U.S., Administration*)

March 29—U.S. intelligence reports indicate that for the 1st time Iraq has built missile launchers with a range of up to 400 miles, sufficient to reach Tel Aviv or Damascus.

### ISRAEL

(See also *Intl. Arab League; Syria*)

March 4—High-level members of the Likud party reject the modified U.S. proposal for peace talks with the Palestinians. Last week the Labor party said it would withdraw from the government if Likud does not agree to the proposal by March 7.

March 7—After inconclusive debate on initiating peace talks, the Cabinet postpones a vote on the American proposal for Israeli-Palestinian talks until March 11.

March 11—After Likud members of the Cabinet refuse to vote on the peace talks proposal, Labor members walk out of a Cabinet meeting.

March 13—Prime Minister Yitzhak Shamir dismisses Finance Minister Shimon Peres, the leader of the Labor party; the remaining Labor members of the Cabinet resign, causing the coalition government to fall.

March 15—After Shamir refuses to compromise on peace talks, the Knesset (Parliament) dissolves the government for the 1st time since 1948. Shamir will lead the caretaker government until a new government is formed.

March 19—in Jerusalem, former U.S. President Jimmy Car-

ter accuses the Israeli military of abusing Palestinians' rights, firing on demonstrators without provocation and detaining Palestinians without trial.

March 20—President Chaim Herzog asks Labor party leader Peres to try to form a new government.

March 21—Shamir rejects Peres's offer for Likud to join a Labor-led government.

### IVORY COAST

March 2—In the worst violence since anti-government riots began 2 weeks ago, students demanding the ouster of President Félix Houphouët-Boigny clash with police in Abidjan.

### JAPAN

(See also *U.S., Foreign Policy*)

March 6—Mitsubishi and Daimler-Benz, the largest business groups in Japan and West Germany, respectively, announce that they are negotiating "intensive cooperation" in micro-electronics, aerospace and automobile technology.

March 22—By midday, the Nikkei stock average posts a decline of 6 percent, the 2d worst decline in the Tokyo Stock Exchange's history, after the October, 1987, fall of 14.9 percent. Stocks rebound slightly for a total decline of 3.1 percent by day's end.

March 27—in Tokyo, U.S. and Japanese officials announce that the U.S. and Japan have agreed to cooperate in military technology research.

### KOREA, NORTH

(See *Korea, South*)

### KOREA, SOUTH

March 3—*The New York Times* reports that engineers have discovered a secret tunnel 80 miles northeast of Seoul; military officials suspect that the tunnel was built by North Korea in preparation for a surprise attack.

March 14—A North Korean military delegation agrees to investigate the tunnel with South Korean military officials.

### LEBANON

(See also *Iran; Syria*)

March 1—After a 13-day cease-fire, rival Christian forces resume fighting in East Beirut.

March 9—It is reported that General Michel Aoun has said that his war with a rival Christian militia is ended; he offers to negotiate an end to the 15-year-old civil war.

March 11—President Elias Hrawi says Aoun's supporters must "submit to the legitimate government"; he names General Emile Lahoud to replace Aoun as army commander.

March 19—Near Junieh, rival Christian factions exchange artillery fire for 6 hours in the most intense fighting in the past 2 weeks. Forces under General Aoun have reportedly used cluster bombs on residential areas.

March 30—in the worst fighting since March 19, rival Christian militias bombard Qlaaat and East Beirut.

March 31—Full-scale warfare is reported in East Beirut; at least 50 people are reported killed.

### LIBYA

March 14—The Libyan news agency reports that a chemical plant near Rabta is on fire. U.S. President George Bush denies that the U.S. sabotaged the plant, although the U.S. suspected that the plant produced poison gas.

March 22—in Bonn, Jürgen Hippensiel-Irmhausen, the owner of Imhausen-Chemie A.G., is charged with illegally exporting plans and equipment to build the chemical plant in Rabta that is suspected of producing poison gas.

### MEXICO

March 28—For the 1st time, President Carlos Salinas de Gortari agrees to negotiate a free trade agreement with the U.S.

### MONGOLIA

March 12—The Politburo recommends that the Communist party surrender its monopoly on power and that a new constitution be drawn up to provide for multiparty democratic elections. President and General Secretary Zhambyn Batmonh says that a new Central Committee will be chosen at an extraordinary party congress to begin April 10.

March 14—The Politburo of the Communist party resigns; the party votes to relinquish its monopoly. Gombojavyn Ochirbat is chosen as the new General Secretary, replacing Batmonh, who remains President.

March 15—The new party leadership promises to hold free elections.

March 20—About 1,000 demonstrators rally in Ulan Bator in support of opposition parties; they charge that the Communist leadership is renegeing on its promises of reform.

March 21—The People's Great Hural, the Parliament, selects former Trade Minister Punsalmaagiyn Ochirbat as President and Sharabyn Gunjaadordj as Prime Minister; both men are Communists but do not hold high-level positions.

### MOZAMBIQUE

(See *U.S., Foreign Policy*)

### MYANMAR

March 20—Foreign diplomats based in Yangon report that the military government is compelling 500,000 people to move from the cities to outlying rural areas.

### NAMIBIA

(See also *South Africa; U.S., Foreign Policy*)

March 21—Namibia becomes an independent nation after 75 years under South African control and a 23-year guerrilla war. Sam Nujoma, the leader of SWAPO (the South West Africa People's Organization), is sworn in as President by UN Secretary General Javier Pérez de Cuéllar.

### NEW ZEALAND

March 1—U.S. Secretary of State James Baker meets with External Relations Minister Mike Moore in Washington, D.C., ending the 4-year ban on high-level U.S. contacts with New Zealand; former Secretary of State George Shultz imposed the ban in 1986 after New Zealand banned nuclear-armed ships from its waters.

### NICARAGUA

March 5—in Washington, D.C., President-elect Violeta Barrios de Chamorro meets with Secretary of State James Baker to ask for U.S. aid and to discuss economic recovery plans and the demobilization of the contras.

March 6—Contra leaders charge that the government is mounting offensive military operations against civilians, violating a cease-fire it imposed; the government claims the contras ended the cease-fire.

March 8—the Sandinista government submits legislation to the National Assembly that would grant immunity for unprosecuted crimes allegedly committed during its 10-year rule and would give away some property taken by the government.

March 9—Outgoing President Daniel Ortega Saavedra says that if the contras are not disarmed, he cannot guarantee a peaceful transition on April 25.

March 11—Voting 72 to 6, the National Assembly approves an amended version of the legislation granting amnesty for

crimes committed since the Sandinistas took power in 1979; as amended, the legislation applies to both the Sandinistas and the contras.

March 23—The contras agree to disband their forces in Honduras by April 20.

March 27—Sandinista leaders recognize Chamorro's right to exercise full authority over the armed forces, still dominated by the Sandinistas.

### PANAMA

March 2—A discothèque in Panama City is bombed, wounding 16 U.S. servicemen and 11 Panamanians.

March 5—A group called the Martyrs of the 20th of December takes responsibility for the March 2 bombing. December 20, 1989, is the date of the U.S. invasion of Panama.

March 19—The government asks the U.S. for compensation for weapons seized by U.S. troops during the December invasion; the arms belonged to the Panamanian Defense Forces, now disbanded.

### PHILIPPINES

March 4—Government troops fight supporters of Rodolfo Aguinaldo, recently removed as governor of Cagayan province, who seized a hotel in Tuguegarao and held hostage the official who served the warrant for Aguinaldo's arrest.

March 6—The Supreme Court orders the release on bail of Senator Juan Ponce Enrile, arrested in February on charges of complicity in connection with the failed December coup.

### POLAND

(See *Germany, West; U.S., Foreign Policy*)

### ROMANIA

(See also *Austria*)

March 2—The trial of former secret police (Securitate) officers charged with responsibility for the December death of anti-government demonstrators in Timisoara begins.

March 11—in Bucharest and Timisoara, anti-government demonstrators march to protest the continued domination of Communists and members of the Securitate in the government.

March 20—in Transylvania, about 2,000 Romanian nationalists attack 5,000 ethnic Hungarian protesters.

March 21—Romanian and ethnic Hungarian mobs are separated by government tanks and troops in Transylvania. 300 people are reported to have been injured and 3 killed in the March 20 violence.

### SOUTH AFRICA

(See also *Namibia*)

March 2—in Lusaka, Zambia, Nelson Mandela is elected deputy president of the African National Congress (ANC); this makes Mandela the ANC's de facto leader because president Oliver N. Tambo is recovering from a stroke.

March 4—the government of Ciskei is overthrown in a coup by military officers.

March 5—*The New York Times* reports that over 300 political prisoners began a hunger strike a week ago in order to pressure President F.W. de Klerk to issue a general amnesty.

At the request of Ciskei's new ruler, Brigadier General Oupa Joshua Cqozo, South African troops are sent to Ciskei to restore order after looting and vandalism that followed the military coup on March 4.

March 6—the Pan-Africanist Congress (PAC) rejects Mandela's invitation to join the ANC in an anti-apartheid coalition that plans to talk with President de Klerk.

March 7—in Bophuthatswana, 50,000 protesters demand the ouster of its president, Lucas Mangope. Police shoot, killing

at least 7 people. Mangope declares a state of emergency in 4 districts.

March 9—in fighting between rival black groups near Johannesburg, 19 people are killed. The violence was sparked by a dispute among black taxi drivers.

March 12—in Stockholm, Mandela meets with Tambo for the 1st time since Mandela was imprisoned 27 years ago.

March 13—Meeting with Swedish Prime Minister Ingvar Carlsson in Stockholm, Mandela urges foreign governments to break diplomatic ties with South Africa and impose stronger sanctions.

March 16—De Klerk says that the government and the ANC will begin talks in Cape Town on April 11 aimed at the framing of a new constitution.

March 19—in Lusaka, the Organization of African Unity (OAU) agrees to initiate direct contacts with the South African government to discuss ending apartheid peacefully.

March 23—*The New York Times* reports that while attending the independence ceremonies in Windhoek, Namibia, de Klerk met with various world leaders after a long period of diplomatic isolation.

March 26—in a black township, police fire on anti-apartheid demonstrators, killing 8 people.

March 30—Mandela cancels a meeting with Mangosuthu Gatsha Buthelezi, the chief of the Zulus; the meeting was part of an effort to stop violence between rival black nationalist groups.

March 31—the ANC cancels plans to begin talks with the government April 11, in protest against police violence on March 26.

### SRI LANKA

(See *India*)

### SWEDEN

(See *South Africa*)

### SYRIA

March 16—in Damascus, former U.S. President Jimmy Carter says that Syrian President Hafez Assad has promised to help win the release of Western hostages in Lebanon. Carter met with Assad and Foreign Minister Farouk Sharaa during his 2-day stay.

March 18—in Jerusalem, Carter tells Israeli officials, including Prime Minister Shamir and former Trade Minister Shimon Peres, that Assad is ready to hold peace talks with Israel.

### TAIWAN

March 18—in the largest protest since martial law was lifted in 1987, over 10,000 demonstrators in Taipei demand rapid democratic changes and direct presidential elections.

March 20—in Taipei, more than 6,000 protesters rally in the 1st large-scale student demonstration in 40 years.

March 21—the National Assembly reelects Lee Tenghui, the sole candidate, as President; afterwards, Lee meets with student representatives to discuss their demands for political change.

March 22—Student protesters peacefully end their demonstration in Taipei.

### U.S.S.R.

(See also *Intl, EBRD; Afghanistan; Ethiopia; Germany, West; Hungary; U.S., Foreign Policy*)

March 6—for the first time since 1920, the Congress of People's Deputies approves a law permitting effective private ownership of small-scale factories and other enterprises; the law also protects private property from confiscation by the state.

March 7—President Mikhail Gorbachev says that if Lithuania secedes from the Soviet Union, it must pay compensation worth \$33 billion; Lithuania must also surrender some territory to the Soviet Union.

March 9—The Georgian parliament condemns the forcible incorporation of Georgia into the Soviet Union in 1921 and asserts its desire for independence..

March 11—Voting 124 to 0, the Lithuanian parliament declares Lithuania an independent state.

The congress of Estonia asks the Soviet Congress to restore "the free and independent republic of Estonia."

At a closed meeting of the party Central Committee, Gorbachev proposes a restructuring of the Communist party.

March 13—Gorbachev terms Lithuania's declaration of independence "illegitimate and invalid" and refuses to negotiate with Lithuania and the other Baltic states.

The Congress votes, 1,817 to 133, in favor of an expanded presidency; it also votes to end the Communist party's monopoly on power.

March 14—The Congress votes, 1,542 to 368, to approve Gorbachev as the sole candidate for the expanded presidency and to hold the election within the Congress. The Congress then votes, 1,329 to 495, to elect Gorbachev President. The first direct elections are slated to take place in 1995.

Latvian parliament members petition Gorbachev to start talks on Latvian independence.

March 15—Gorbachev is sworn in as President.

The Soviet Union and the Vatican reestablish official relations; ties were broken in 1923.

March 19—in the March 18 runoff election results released today, the non-Communist opposition wins a majority in city councils in Moscow, Leningrad and Kiev; nationalist opposition candidates also win in republic parliaments.

Interfax, a Soviet press agency, reports that an emergency economic package, including price and currency reforms, the introduction of a stock market and other measures aimed at creating a free-market economy, was submitted to the Supreme Soviet on March 16.

March 21—Gorbachev orders Lithuanians to surrender their guns to the Soviet government.

March 22—Lithuanian officials refuse to hand over private firearms and accuse Soviet officials of exacerbating tensions by staging military displays. In Moscow, Gorbachev orders Lithuanians not to form a self-defense force and tells the KGB (secret police) to reinforce Soviet border positions.

March 23—More than 100 Soviet tanks and trucks and 1,500 soldiers with automatic weapons parade past the Lithuanian parliament in Vilnius, Lithuania.

March 24—Officials in Lithuania refuse the Soviet government's demand to surrender army deserters to Soviet authorities.

Gorbachev selects his 10-member Cabinet, including Foreign Minister Eduard Shevardnadze, Defense Minister Dmitri Yazov, and 1 non-Communist, Valentin G. Rasputin.

March 25—The Estonian Communist party votes to break away from the central party, but agrees to a 6-month transition.

March 27—in Vilnius, Soviet troops seize the Lithuanian Communist party headquarters and raid a psychiatric hospital to arrest army deserters.

The Soviet Foreign Ministry orders all foreigners to leave Lithuania.

March 28—Lithuania drops a plan to establish its own border guard to avoid violence.

March 29—Lithuanian leaders say they are ready to discuss a referendum on secession if Gorbachev agrees to negotiate the issue.

The government offers amnesty to Lithuanian army deserters.

March 30—Soviet troops seize the State Prosecutor's Office in Vilnius.

March 31—Gorbachev offers to talk with Lithuanian leaders if they repeal their declaration of independence; he warns of "grave consequences" if they do not negotiate.

## UNITED KINGDOM

### Great Britain

(See also *Germany, West; U.K., Hong Kong; U.S., Administration*)

March 8—in London, protesters who oppose a new "poll tax" become violent, attacking police with sticks and bottles; the tax will be effective in England and Wales April 1.

March 31—in London, over 10,000 people demonstrate against the new head tax; protests become violent and at least 100 people are arrested. Protests also take place in Scotland, where the tax is already in effect.

### Hong Kong

March 1—the Chinese Foreign Ministry announces that China will not recognize the British passports that Britain plans to give some Hong Kong residents; the Chinese government believes that Hong Kong is Chinese territory and that its residents are Chinese citizens.

## UNITED STATES

### Administration

March 1—the Nuclear Regulatory Commission votes, 3 to 0, to give New Hampshire's Seabrook nuclear reactor an operating license 11 years after its scheduled opening.

The Census Bureau reports that the Asian population in the U.S. grew 70 percent between 1980 and 1988.

March 6—Postmaster General Anthony Frank announces price increases in all classes of mail to take effect in February, 1991; the cost of mailing a first-class letter will rise \$.05 to \$.30, the biggest single increase in 172 years.

March 21—the Census Bureau completes its nationwide count of the nation's homeless.

March 27—Energy Secretary James Watkins says his department will name an occupational and health director for the 100,000 workers in all 17 nuclear munitions plants; in addition, studies of the effects of radiation on nuclear weapons plant employees are to be transferred to the Department of Health and Human Services, effective August 1.

March 28—After an 18-month investigation, U.S. and British customs officials at Heathrow Airport seize a shipment of some 40 capacitors that can be used as triggers in nuclear weapons; the triggers were being smuggled to Iraq; 6 people have been arrested.

### Economy

March 2—the Commerce Department reports that its index of leading economic indicators remained unchanged in January.

March 9—the Labor Department reports that the nation's unemployment rate remained at 5.3 percent in February.

March 16—the Labor Department reports that its producer price index remained unchanged in February.

March 20—the Labor Department reports that its consumer price index rose 0.5 percent in February.

The Commerce Department reports that the U.S. foreign trade deficit for January was \$9.3 billion, with a revised deficit of \$7.7 billion for December, 1989.

March 28—the Commerce Department issues a revised estimate of the nation's gross national product for the last quarter of 1989; the annual rate of increase was revised to 1.1 percent from 0.9 percent.

## Foreign Policy

(See also *Intl; EBRD; Germany, West; Haiti; Iran; Iraq; Israel; Japan; Libya; Mexico; New Zealand; Nicaragua; Panama; Syria; Venezuela*)

March 1—The State Department's annual report on the global production of illegal drugs, issued today, shows that the production of opium poppies, coca, marijuana and hashish rose to higher levels in 1989, despite highly publicized efforts to control drug supply and demand.

March 2—President George Bush meets in California with Japanese Prime Minister Toshiki Kaifu to try to resolve trade problems between the U.S. and Japan.

March 3—President Bush and Kaifu end their trade discussions; Kaifu pledges to make serious efforts to ease trade tensions between the U.S. and Japan.

March 9—Defense Secretary Dick Cheney says that Awacs (Airborne Warning and Control System) planes are being used to help intercept drug shipments in the Caribbean and radar-carrying balloons are being placed across the southern borders of the U.S.

March 11—After the Lithuanian parliament declares Lithuania a free country, presidential spokesman Marlin Fitzwater says, "The United States would urge the Soviet government to respect the will of the citizens of Lithuania."

March 13—President Bush ends the 3-year economic boycott against Nicaragua and proposes to cut \$300 million from the Defense Department now and \$200 million in the next fiscal year and to transfer this money to Nicaragua.

President Bush meets with Mozambican President Joaquim Chissano in Washington, D.C., and urges reconciliation talks between the rebel and the government forces in Mozambique.

March 20—in a report to Congress, the State Department says that PLO chairman Yasir Arafat has adhered personally to his 1988 commitment to renounce terrorism.

Secretary of State James Baker 3d attends the celebration of Namibia's independence in Windhoek.

March 21—President Bush ends U.S. economic sanctions against Namibia and establishes full diplomatic relations.

Baker meets with Nelson Mandela in Windhoek.

In Washington, D.C., President Bush and Polish Prime Minister Tadeusz Mazowiecki sign a treaty that will encourage U.S. investment in Poland.

March 22—Agriculture Secretary Clayton Yeutter and U.S. trade representative Carla Hills issue a joint statement saying that the U.S. and the Soviet Union have reached a long-term agreement that will provide an additional 1 million tons of U.S. grain for the Soviet Union over the next 5 years.

President Bush urges Gorbachev to avoid a military solution in Lithuania.

March 23—American and Japanese negotiators reach a preliminary agreement that will make it easier for American companies to market their most powerful computers in Japan.

March 30—in a note to President Gorbachev sent March 29 and released today, President Bush says that the U.S. is "not trying to make things difficult" for anyone in the Baltic crisis.

The U.S. Trade Representative's office, and the Departments of State, Treasury and Defense issue their annual report, mandated by Congress, on some 35 countries and 2 regional economic groups that maintain the "most important" trading blocks to U.S. exports; Japan maintains the most serious barriers to U.S. trade.

## Labor and Industry

March 2—Some 6,000 drivers strike against the Greyhound bus system in a wage dispute.

March 15—According to Labor Secretary Elizabeth Dole, the 3-day Labor Department investigation of child labor abuse

across the country found some 7,000 children working under seemingly illegal conditions in 1,460 businesses out of 3,400 investigated.

March 22—In Anchorage, Joseph Hazelwood, captain of the Exxon *Valdez* tanker, which spilled 11 million gallons of oil on March 24, 1989, after hitting a reef in Prince William Sound, is convicted on a misdemeanor negligence charge but is acquitted of more serious felony charges.

March 23—Hazelwood is given a 90-day suspended sentence; he is required to do 1,000 hours of community service cleaning up the Valdez oil spill and must pay \$50,000 in retribution to Alaska.

March 26—Officials of the Resolution Trust Corporation, managing the bail-out of failures in the savings and loan (S & L) industry, report that 485 S & L institutions lost \$19.2 billion in 1989.

## Legislation

March 1—The Senate confirms Antonia Coello Novello as U.S. Surgeon General.

March 29—The House votes, 265 to 145, to approve a bill that will improve and expand day-care programs, improve the Head Start program and provide more money to states in block grants for day-care programs; the Senate has passed a similar bill.

The General Accounting Office issues a report calling for a review of the 1986 Immigration Reform and Control Act, charging that it has led to a "widespread pattern of discrimination" in the employment market for individuals with a "foreign appearance or accent."

## Political Scandal

March 5—Jury selection begins for the trial of former national security adviser John Poindexter on criminal charges of obstructing congressional inquiries and making false statements to Congress with regard to the Iran-contra affair.

March 9—at Poindexter's trial, former national security assistant Oliver North testifies that he never tried to hide his actions from Poindexter or from Robert McFarlane, Poindexter's predecessor, and did not take responsibility for the Iran-contra affair.

## Science and Space

March 4—the shuttle *Atlantis* lands safely after 4.5 days in space on a secret military mission.

## Supreme Court

March 5—in two 5-4 decisions, the Court refuses access to judicial review of death sentences and convictions because of any "new rule" of law passed after the original conviction; in one case the Court overrules a lower court; in the other, it affirms a lower court ruling.

## VATICAN

(See *U.S.S.R.*)

## VENEZUELA

March 20—Venezuela agrees to a U.S.-sponsored plan to reduce its foreign debt by a variety of means, including buy-backs and loan reductions up to 30 percent.

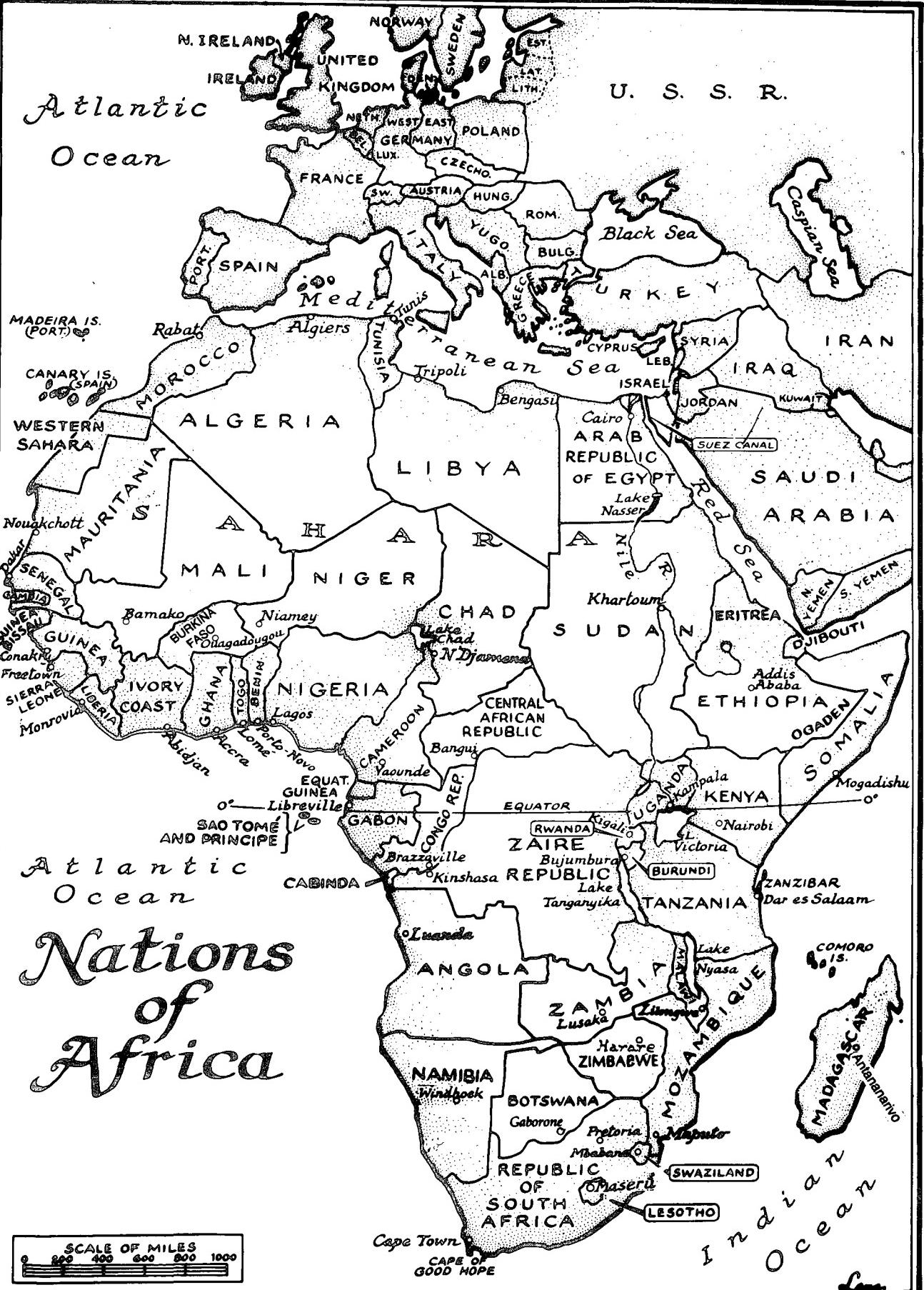
## VIETNAM

(See also *Cambodia*)

March 31—the Communist party says it has ousted Tran Xuan Bach, a senior member who has advocated more rapid political reform.

## ZIMBABWE

March 28—National elections begin.



# Nations of Africa

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